

VILLAGE OF PALOS PARK, ILLINOIS

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COMPREHENSIVE ANNUAL FINANCIAL  
REPORT



VILLAGE OF  
PALOS PARK

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017

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ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
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Prepared by:  
Finance Department

Barbara Maziarek  
Finance Director

**VILLAGE OF PALOS PARK, ILLINOIS**

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Palos Park, including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting



## **VILLAGE OF PALOS PARK**

### **PRINCIPAL OFFICIALS**

**May 1, 2017**

#### **JOHN F. MAHONEY**

*Mayor*

#### **MARIE ARRIGONI**

*Village Clerk*

### **BOARD OF COMMISSIONERS**

**James Pavlatos** - *Commissioner of Accounts and Finance*

**Nicole Milovich-Walters** - *Commissioner of Public Works and Streets, and Recreation*

**Daniel Polk** - *Commissioner of Public Health and Safety*

**G. Darryl Reed** - *Commissioner of Building and Public Property*

### **ADMINISTRATION**

**Richard B. Boehm** - *Village Manager*

### **DEPARTMENT DIRECTORS**

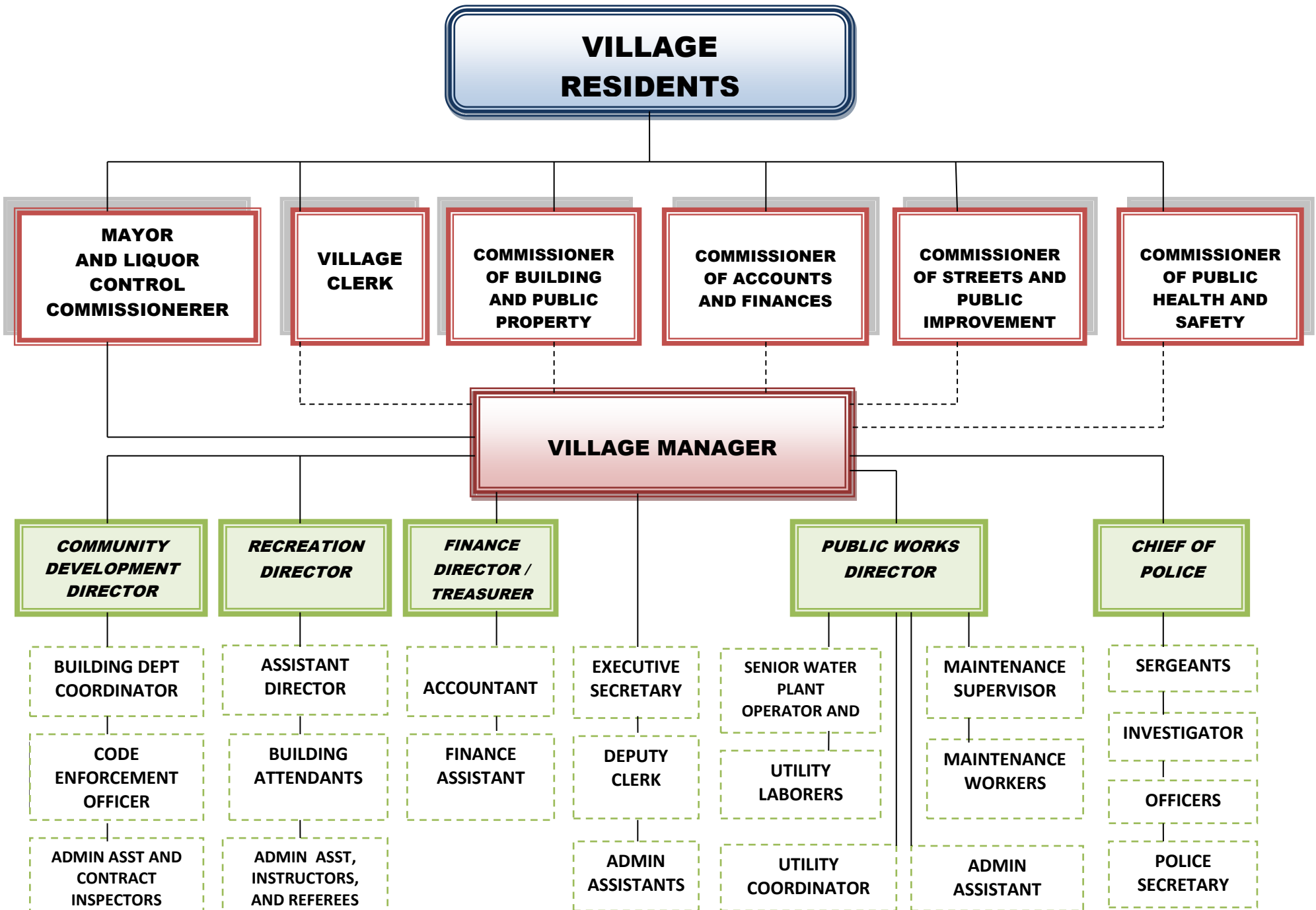
**Barbara Maziarek** - *Finance Director / Treasurer*

**Joseph Miller** - *Chief of Police*

**LeeAnn Fisk** - *Recreation Director*

**Michael Sibrava** - *Public Works Director*

**Lori Sommers** - *Community Development Director*





VILLAGE OF  
**PALOS PARK**

October 12, 2017

JOHN F. MAHONEY  
Mayor

JAMES PAVLATOS  
Accounts & Finances

NICOLE MILOVICH-WALTERS  
Public Works & Streets, Recreation

DAN POLK  
Public Health & Safety

G. DARRYL REED  
Building & Public Property

MARIE ARRIGONI  
Village Clerk

RICHARD B. BOEHM  
Village Manager

To the Honorable John Mahoney, Village Commissioners, and  
Residents of the Village of Palos Park, Illinois:

The Comprehensive Annual Financial Report (CAFR) of the Village of Palos Park, Illinois for the year ended April 30, 2017 is hereby submitted as mandated by both local ordinance and state statute. Illinois state statute requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with States Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

The Village's CAFR consists of management's representation concerning the finances of the Village. Consequently, responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village; and the Village as a whole, at the entity-wide level. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended April 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Village of Palos Park is pleased to report that the independent audit firm Lauterbach & Amen, LLP has issued an unmodified ("clean") opinion on the Village's financial statements for the year ended April 30, 2017. The independent auditor's report is located at the front of the financial section of the CAFR.

Village management is responsible for establishing and maintaining internal controls designed to safeguard Village assets from loss, theft, or misuse; as well as, ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The financial reporting entity (the government) includes all the funds and entity-wide accounting of the primary government (*i.e.*, the Village of Palos Park as legally defined); as well as, all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Police Pension Fund is reported as a fiduciary fund of the primary government.

### **PROFILE OF THE VILLAGE OF PALOS PARK**

The Village of Palos Park was incorporated on October 31, 1914 as a small town that mainly served as a summer home for artists. The Village of Palos Park is a small residential suburb less than 15 miles southwest of the City of Chicago. It is nestled among Cook County's largest single Forest Preserve (the Palos section) holding with a population of 4,847 people (the 2010 Census figure). The Village of Palos Park covers an area of 3.6 square miles, and is an upscale community that prides itself on its semi-rural character. It has developed high-quality residential neighborhoods in which 94.1% of the homes are owner-occupied. The population of the community is very stable; according to the 2010 Census, 72.8% of owners have been residents since 1989 or earlier. The median age of residents is 52.7 years with 27.9% of residents over 65 years old. Two important concerns of residents are the maintenance of property values, and the quality of life issues.

Palos Park does not fit the traditional stereotype of the well-to-do Chicago suburb that rose out of reclaimed corn fields with expanses of flat green lawns and large fences separating neighbors. Instead, each residence sits amongst the rolling hills of a moraine dug by ice age glaciers. The municipality is separated by Cook County Forest Preserves. Mature trees, long distances between houses, and frequent large street setbacks make it often difficult, if not impossible, to see homes from the street; space and trees is what separates most neighbors. Ditches take the place of sidewalks and storm sewers in the Village, helping to replenish aquifers and further contributing to its distinctive character.

The Village of Palos Park is primarily a bedroom community; with 87.1% of the residents are white collar workers, and 12.90% of the residents are considered to be blue collar workers. Over 52.04% of the employed residents are managers, professionals, and related occupations. In addition, a majority of its employed residents commute into work, averaging 25 minutes of travel, with most presumably going into Chicago. Their commute traditionally has been by Interstate 55 (the Stevenson Expressway). However, increasingly commuters are taking advantage of the parking and Metra train departures at the Village's rail station. The Village prides itself on the high quality of its residential living and has historically been among the top Chicago area communities in per capita income.

Palos Park is a great place to work, live, and raise a family. The Village of Palos Park is dedicated to constantly improving the delivery of its services; thereby, enhancing the quality of life for its residents and the operating environment for its businesses. Although primarily a residential community, the Village of Palos Park does have three small areas of commercial development. The northeast corner of 131<sup>st</sup> Street and LaGrange Road supports many individual businesses, while the northwest corner is the home of the Shoppes of Mill Creek, Mill Creek Center, and gas stations. Several retail stores and office buildings are in the area around Southwest Highway and Route 83. Finally, establishments are located along 123<sup>rd</sup> Street, primarily between 80<sup>th</sup> Avenue and 86<sup>th</sup> Avenue. There is limited industrial property in the Village.

The largest employer in the community is the Holy Family Villa which is a skilled care facility. Immediately adjacent to the Village at 123<sup>rd</sup> Street and 80<sup>th</sup> Avenue is Palos Community Hospital (in Palos Heights) and serves as another major employer in the area. Also immediately adjacent to the Village at 131<sup>st</sup> Street and LaGrange Road (in Orland Park) lays Carl Sandburg High School (High School District 230).

The Village is governed by the Commission form of government consisting of a Mayor and four Commissioners elected at large for four year concurrent terms. Elected Commissioners are the legal department heads in the areas of Public Affairs (Mayor, by statute), Accounts and Finances, Public Health and Safety, Public Property and Building, and Streets and Public Improvements. The Village Clerk is also elected at large. The Village Council appoints, among others, the Village Manager, Village Attorney, and the Village Treasurer.

The Village of Palos Park provides a wide range of services. Those services include police protection, maintenance of streets and infrastructure, water and sewer service, branch chipping, planning and zoning, code enforcement, recreation and park services and events, and financial and general administrative services.

The annual budget is the primary guiding document for the Village's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, and Police Pension Fund are included in the annual budget. The level of budgetary control is established at the individual fund level.

## **OVERVIEW OF THE LOCAL ECONOMY AND FINANCES**

The Mayor, Commissioners, and the Village staff are intent on maintaining the Village's strong financial condition, while continuing to provide the highest level of public services to its residents. The Village's financial position, as reflected in the financial statements presented in this report, is perhaps best understood when its considered from the broader perspective of the environment within which the Village operations.

The economy locally; as well as, at the county, state, and national level is still in weak recovery with growth projected to be only 2.1% for the year. In fiscal year 2017, the Village continued to face some financial challenges, with negative impacts to many of our tax collections. The

Village continued its fiscally conservative practice in its budget goals as a result of the continued economic downturn and decreasing revenue trends. Department Directors aimed to establish a fund balance surplus, while conservatively estimating revenues and expenditures in the budget for the fiscal year. As with much of the state and county, the Village is experiencing the challenge of providing new and improved services to residents while facing expanded federal and state mandates in a declining revenue environment.

Several major revenue sources declined as a result of the economy. Fortunately, the Village's conservative budgeting, maintenance of fund balance reserves, along with a strategic planning process enable the Village to end the fiscal year with adequate reserves intact. General Fund revenues decreased overall by 2.00% in FY17 to \$4,329,123. Sales tax increased by 25.28%, utility taxes decreased by 0.12%. Revenue from property taxes collections remained flat, permit fees decreased by 15.39%, and state income tax decreased by 11.30% as compared to the prior fiscal year.

General Fund operating expenditures decreased in FY17 by \$268,421 to a total of \$4,309,981 as compared to the prior fiscal year. This 5.86% decrease in expenditures was due to a reduction in spending for benefits for employees for health insurance costs for the employees, and legal fees. Also, decreased spending in General Government, Public Safety, Public Affairs, Public Grounds, Public Works, Building, and Finance Departments in the fiscal year helped reduce overall spending. Unfortunately, at the close of the fiscal year, there was a reserves reduction in the General Fund in the amount of \$27,595 due to transfers to other funds for deficit spending. The General Fund balance ensures that the Village has sufficient reserves to cover planned upcoming expenditures, and the fund balance is \$240,882 over the required three month reserve as per the Village's Financial Plan.

For a broader view of the recent trends in revenues, expenditures, and net assets see the Management Discussion and Analysis section.

### **LONG-TERM FINANCIAL PLANNING**

The Village uses a number of processes and planning documents to accomplish its financial planning. As discussed above, the Village adopts an annual budget. A five-year financial plan is prepared that contains projections for revenues and expenses. The Five Year Long Range Plan is used to aid in future policy decision. With economic growth still in weak recovery, it is important that the Village Council continue to address long-term revenue policies and strategies. The goal is to maintain reserves in the General Fund while still providing a high level of services to its residents and businesses.

Several tools are utilized for long-term financial planning, including five-year budget projections, and a five-year capital improvement plan for equipment and infrastructure. The Village has been annually updating a five-year budget as a means of identifying increases in expenditure levels for subsequent years. The five-year budget uses a five year financial forecast estimating annual revenues and annual expenditures for long term planning. Trends in revenue sources and expenditures will be identified and reviewed so quality assumptions may be made for the future fiscal health of the Village. This information will be utilized in creating a roadmap

for Village operations, future capital improvement projects, and creating a financing plan for the Village's future.

## **MAJOR INITIATIVE FOR THE YEAR AND FOR THE FUTURE**

The Village is proud of its many accomplishments over the last year to better our community. Palos Park continues to be a full service Village with strong financial management, efficient service delivery, high customer service response, positive community relations, neighborhood pride, and art and culture. Staff looks forward to continuing these traditions, working with the Village Council and community to uphold our excellence in local government management, and continuing to be a community that pursues progress.

Each year during the budget process, the Village Department Directors prepares their departments' goals and designated projects for the coming fiscal year. These goals and projects are detailed below by department.

### ***ADMINISTRATION DEPARTMENT***

#### ***Goals and Projects FY 2017***

##### ***PERSONNEL***

- Continue to evaluate staffing levels
- Refine and put into use a Village wide employee performance evaluation system
- Continue to identify professional development for staff
- Continue to look for reorganization, cross training, and consolidation of duty opportunities within departments
- Establish a working Employee Safety Committee
- Work with employee committee to increase visibility and programming, continue to participate as a member
- Look to refresh the employee Fitness and Wellness Program
- Continue to update the Village's Manual of Personnel Policies – an ongoing annual activity

##### ***COMMUNICATIONS***

- Continue working toward a more user friendly Village website; the new site is expected to be launched in the 1<sup>st</sup> quarter FY17
- Keep business and residents on and near LaGrange Road advised of ongoing road construction
- Continue to Improve communications and build on positive relationships with surrounding municipalities and its staff
- Continue weekly Department Director meetings
- Improve communications with residents through newly revamped newsletter (combined publication), website, Facebook, Twitter, Constant Contact, and other means
- Continue to encourage departments to work together for the good of all
- Work with different groups and organizations in the community to assist them in meeting their objectives in service to the community

##### ***ANNEXATIONS***

- Conduct studies deemed needed to negotiate development agreements that are in the

best interest of the Village

- Continue the evaluation and planning for extension of utility services to new territories
- Complete 131<sup>st</sup> Street Standard Bank annexation

### ***LEGAL***

- Track legal expenses of the Village
- Continue to work with staff and Village Attorney to limit our litigation exposure
- Work with the various attorneys on litigation matters involving the newly annexed properties

### ***PUBLIC PROPERTY***

- Continue working with other communities to improve the experience of being on the Palos Park portion of the Cal-Sag Trail through the Cal Sag Trail Coalition
- Look to implement further improvements at Centennial Park
- Plan next phases of improvements on the Village Green – make more accessible
- Continue to implement improvements at Kaptur Center, Recreation Center (Community House)
- Continue to review and study potential improvement of the 123<sup>rd</sup> Street and 86<sup>th</sup> Avenue intersection including the possibility of a roundabout
- Look to upgrade and add security cameras at key locations

### ***PROCEDURAL/OPERATIONS***

- Administer the Municipal Electric Aggregation Program
- Improve the retrieval process of Village records by examining the feasibility of implementing document management through GIS or other means
- Monitor and update, where appropriate, the Village's hardware and software systems

### ***PUBLIC WORKS/INFRASTRUCTURE***

- Work with IDOT contractor on implementation of LaGrange Road landscape plan following completion of roadwork
- Signalize intersection of Creek Road and LaGrange Road to be completed with US-45 widening project
- Continue to promote bike and trail plans in Village of Palos Park. Plan and coordinate connections with the Cal Sag Trail and the Village trailhead
- Continue to study and finalize utility extension routes

### ***ECONOMIC DEVELOPMENT***

- Work with commercial ownership to fill space with tenants the Village desires
- Feature businesses on website and in newsletter
- Create a better economic development portion of website
- Continue support of businesses thru Palos Area Chamber of Commerce
- Outreach efforts to other business organizations and groups
- Continue outreach and communications with businesses
- Consider development on 'no cash bid' parcels, Schroeder Property, redevelopment around the Metra Station and along LaGrange Road
- Look for opportunities to plan and coordinate development on properties that were annexed

## ***FINANCE***

- Research and evaluate the institution of a Storm Water Management Fee
- Adhere to Budget categories within budget, expense where appropriate, not where convenient
- Contain legal fees
- Document costs of special events
- Expand use of credit cards and on-line payments

## ***INSURANCE / LIABILITY***

- Manager is the delegate to IRMA, Finance Director is the alternate delegate to IRMA
- Continue compliance with IRMA programs, i.e. risk assessments, IMAP, and Safety Compliance
- Work with broker to finalize annual health care package for employees
- Work Comp Claims Management
- Review and update the written Risk Management Plan
- Establish accident investigation protocol

## ***SPECIAL EVENTS***

- Work with Palos Fine Arts and staff in planning and hosting the annual *Concert in the Park* event
- Continue to work on all aspects of the *Autumn In The Park Festival* that is scheduled for September 16-17, 2016
- Look for more opportunities to provide additional summer community activities on the Village Green, more concerts, and community events

## ***BUILDING DEPARTMENT***

### ***Goals and Projects FY 2017***

## ***PLANNING ZONING***

- Update Comprehensive Plan for west sector;
- Continue to amend Zoning Regulations as needed;
- Participate in multi-community coalition guiding Cal Sag Trail planning;
- Participate in CMAP's grant for bikeways and trails plan for the Village; and
- Participate in southwest community coalition guiding regional bikeway planning.

## ***ANNEXATIONS***

- Assist in negotiating annexation agreements and coordinating public hearings.

## ***DEVELOPMENT***

- Assist businesses with information on construction, remodeling, and upgrades;
- Promote the available vacant residential land for new homes; and
- Promote the available land and building space to prospective new businesses.

## ***GRANTS***

- Continue to look for grant opportunities for the Village; and
- Monitor and participate in the Village's CMAP grant for bikeways and trails plan for the Village.

### ***COMMISSIONS***

- Support the Plan Commission, Zoning Board of Appeals, and Historic Preservation Commission.

### ***CODE UPDATES***

- Review Building Code for possible amendments.

### ***COMPLIANCE***

- Continue functions of construction and property maintenance code compliance, including contractor registration plan review, permitting, inspection, and enforcement;
- Continue to provide information aides, and educational assistance to owners and builders;
- Upgrade staff capabilities through training, seminars, and certifications;
- Set up a Resident Self Inspection Program via Newsletter/web/cable, etc.; and
- Set up Business License Yearly Inspection Process and Education.

### ***PUBLIC GROUNDS***

- Coordinate property safety inspections; and
- Monitor structural conditions and arrange for repairs as needed at the Kaptur Center, McCord Gallery, and rental house.

### ***FINANCE DEPARTMENT***

#### ***Goals and Projects FY 2017***

- Receive the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for FY2016.
- Prepare document for GFOA's Distinguished Budget Presentation Award for Fiscal Year 2017.
- Institute a program in which each department head works with his or her commissioner to define goals for the upcoming fiscal year and then present the report to the full Council.
- Institute a program in which each department head takes the previous year's goals and describes what was or was not accomplished on each item.
- Increase information in Quarterly Treasurer's Report and monthly financial cash position.
- Revamp the utility billing procedure and possibly the utility billing section of the Village Code to increase both efficiency and account receivables, with the longer-term goal of having the utility billing section of the Finance Department fund itself.
- Create a process for tracking sales receipts of businesses in sales tax rebate agreements and bring the accounts payable in these accounts current.
- Research all closed Special Assessments that still have positive fund balances to see if there were any receipts that were not properly attributed to that fund in an effort to reduce the fund balance and bring the monies into the General Fund, Sewer Fund, or Water Fund.
- Examine inconsistencies between the personnel manual and the Village Code with respect to work week hours, overtime, and comp time. Work with the Village Manager to make a recommendation to the Village Council to upgrade these documents to both resolve these differences and to reflect current trends.

- Make a new timesheet spreadsheet for all employees to enable more accurate and uniform recording of hours worked and to reduce internal payroll processing time.
- Create a new comp time tracking spreadsheet for full-time exempt employees to more accurately track hours that may roll off due to the 35 hour or 90 day maximums.
- Continue to receive an unqualified audit opinion and minimal management letter comments.

## ***POLICE DEPARTMENT***

### ***Goals and Projects FY 2017***

- Maintain strong commitment to public safety to ensure Palos Park remains one of the safest places in the State of Illinois.
- Continue to address community concerns through directed patrol in areas of crimes and quality of life issues, which are best served by all facets of preventive patrol approaches and techniques.
- Make sure we research all avenues to stay one step ahead by upgrading technologies and evolving strategies to prevent crimes.
- Use statistical models of criminal trends, traffic concerns, and employee performance, to readily identify the appropriate resources are committed to address those problems. (Patrol, traffic enforcement, investigations, investigative support, bicycle patrol) while working with the community on policing issues and problems to solve them.
- We staff our police resources while being mindful of budgetary concerns and continually research and assess innovative solutions to reduce taxpayer burden.
- Enhance regional partnerships for the continuation of cost-effective services and explore all viable options for shared resources, while maintaining high standards and quality services.
- Continue to equip personnel to respond to critical incidents and protect our community.
- Strive to build our volunteer programs.
- Analyze all of our programs and services to determine their value in meeting our mission.
- Continue to encourage Vehicle Code compliance and safe driving through a visible presence on streets, school education, and media relations to decrease traffic and bicycle collisions.

## ***PUBLIC WORKS DEPARTMENT***

### ***Goals and Projects FY 2017***

#### ***FUND 01 – Department 24 – PUBLIC WORKS***

- Continue to develop a long term capital improvement program for repair, replacement, and/or improving roadway safety and drivability Village wide;
- Create a priority list for required roadway work;
- Identify all funding sources and set up a Yearly work plan based on available funding;
- Evaluate if additional sources of revenue must be located to make sure the improvements can be made in a timely manner;
- Continue implementing sign replacement program to meet new state mandated requirements;
- Continue to Work with the Tree Body to update Village Ordinances;

- Continue efforts to alleviate storm water conveyance system inadequacies;
- Complete work identified in previous year through inspection, resident complaints, and actual flooding;
- Continue efforts to determine additional locations where improvement are needed;
- Improve equipment and operational response;
- Identify additional equipment needed to perform required maintenance;
- Identify equipment upgrades due to age of equipment or lack of performance;
- Continue training for professional development of the Public Works Staff;
- Offer training opportunities to staff to sharpen skills and acquire additional skills;
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training; and
- Continue to maintain public grounds and buildings.

***FUND 23 -- ½% SALES TAX FUND***

- Complete scheduled drainage projects;
- Purchase equipment and tools necessary for street repairs and drainage projects; and
- Design and implement a paving program.

***FUND 24 -- MOTOR FUEL TAX FUND***

- Continue to maximize MFT Fund for eligible maintenance items;
- Purchase of salt and Therma Point to provide snow and ice control;
- Purchase hot mix and cold mix bituminous materials for street patching;
- Purchase of street signs to meet the new FHWA requirements; and
- Implement pavement rehab program; including crack sealing and minor surface improvements.

***FUND 51 -- SEWER FUND***

- Continue monitoring of sewer systems to locate infiltration issues and implement long term plan for repair or elimination to stay ahead of new limitations proposed by IEPA and MWRDGC;
- Begin televising in areas where infiltration has been identified;
- Continue to find permanent solutions to continual problems with sewage lift stations; including, retrofitting existing pumps to be more efficient and handle larger solids, pump replacement, trash collection systems, and installation of on-site natural gas generators;
- Continue to monitor on-site sanitary systems in compliance with IEPA regulations;
- Offer training opportunities to staff to sharpen skills and acquire additional skills;
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training;
- Improve communication with private sewage disposal system owners, and work with owners to complete necessary repairs;
- Work with homeowners to complete necessary repairs; and
- Stress importance of maintaining systems to avoid discharging contaminants into waterways.

***FUND 52 -- WATER FUND***

- Maintain and improve capability of Village water distribution system;
- Continue to maintain and update information to GIS System;

- Continue to replace MIU reading devices to MXU reading devices;
- Continue fire hydrant maintenance program;
- Utilize the information provided in the water distribution study to plan for long term improvements to our systems and provide data for the next water rate study;
- Utilize the information provided in the water distribution study to engineer and plan for possible expansion;
- Continue to utilize PW staff to identify and complete needed repairs when possible;
- Offer training opportunities to staff;
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training;
- Increase accountability for water usage;
- Continue to replace older meters with new meters that do a better job of reading low flows;
- Continue to replace phone reading devices and nonworking reading devices to improve and expand the SCADA System.

## ***RECREATION DEPARTMENT***

### ***Goals and Projects FY 2017***

#### ***ADMINISTRATIVE***

- Continue to evaluate and search for cost savings for the Recreation Department budget.
- Improve customer satisfaction for programs and rentals through a survey card and/or email.
- Develop a plan of how the Recreation and Parks Department can participate and offer a means of serving those who cannot participate in conventional recreation programs.
- Develop a rental structure to include non-for-profits, perpetual renters, and businesses.
- Continue to search for Grants to include Community Garden.
- Submit two CSCVB grants.
- Continue to evaluate ways to increase revenue.
- Develop new marketing techniques keeping the Department in the forefront of the community.

#### ***PROGRAMMING***

- Continue to look at community events bringing the entire family together.
- Offer creative programs and alternatives not to compete, but compliment the community.
- Keep focus on teens and reconnect with the junior high students.
- Continue to drive the unique birthday party service to increase revenue.
- Offer more programming at Centennial Park.

#### ***MAINTENANCE***

- Develop a plan for maintenance of the Village Green path to the Library.
- Stain and refinish all wood doors throughout building.
- Seasonal employee to assist with park maintenance.

#### ***RENTALS***

- Continue to update the multi-purpose room for an attractive rental space.
- Research ways to rent out the gym and rooms filling the dead time in the building.

- Once a pavilion is built include rental opportunities at Centennial Park.

### ***SAFETY***

- Monthly staff meeting to include safety tips and/or videos.
- Update IRMA audit requests.

### ***PARKS***

- Continued from 2015-16 - Name the 86<sup>th</sup> Street Park, maintain and include programs in that space.
- Phase Three of Village Green path connecting to Library Develop, an ongoing community environment awareness program to utilize volunteers for maintenance of path and gardens, along with Beautification Committee.
- Find partnership for future building structure at Centennial.
- Install a water fountain at Centennial Park.
- Look at adding a storage structure at Centennial Park for maintenance and program items.
- Plan a landscaping project to cover existing well cap and concrete platforms to create an esthetic view on the east side of Recreation Center Building.

### **RELEVANT FINANCE POLICIES**

The Village Council has in place several key written financial policies including a fund balance policy, capitalization policy, investment policy, purchasing policy, capital equipment fund, and a finance and facilities plan. The General Fund policy for fund balance is to maintain fund balance equal to a minimum of 25% or three months of budgeted expenditures. Further, we retain a debt service reserve policy to assure adequate cash is on hand for annual governmental debt service payments, which are funded by property taxes.

The Village continues to monitor the economic climate and its impact on the Village's finances and financial position. Since, 2010 the Village has issued quarterly reviews to assure that revenue and expenditures, particularly in the General Fund, are in line with expectations. There are continued financial concerns for this fiscal year; as well as, for the future of the Village of Palos Park.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palos Park for its comprehensive annual financial report for the fiscal year ended April 30, 2016. This was the 18<sup>th</sup> consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized Comprehensive Annual Financial Report, like the one you are currently reading. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial report was made possible by the diligent effort and dedicated service of **Suzanne Graal** of the Finance Department of the Village of Palos Park, and has our deepest and sincere appreciation for her contributions made in the preparation of this report.

We would also like to thank and extend our appreciation to the Administration Department and the Village's Department Directors: Public Works Director **Michael Sibrava**; Community Development Director **Lori Sommers**; Recreation and Parks Director **LeeAnn Fisk**; and Police Chief **Joe Miller**. All the Directors have been instrumental in the planning and implementation of this project. In addition, we would also like to thank the Mayor and Commissioners for their continued support in maintaining the highest standard of professionalism in the management of the Village's finances.

We would also like to express our appreciation to the personnel at Lauterbach and Amen, LLP who performed the examination in an effective and cooperative manner.

Respectfully Submitted,

**VILLAGE OF PALOS PARK**



**Barbara Maziarek**  
*Finance Director and Treasurer*



**Richard B. Boehm**  
*Village Manager*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Palos Park  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2016**

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.



**INDEPENDENT AUDITORS' REPORT**

October 12, 2017

The Honorable Village Mayor  
Members of the Board of Trustees  
Village of Palos Park, Illinois

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 Palos Park, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We 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 of 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 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 Village'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 Village'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 Palos Park, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Palos Park, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# VILLAGE OF PALOS PARK, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2017

The Village of Palos Park's Management Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, and provides an overview of the Village's financial activity. In addition, it also helps to identify the following: 1) changes in the financial position; 2) material deviations from the financial plan; and 3) individual fund issues or concerns. This section of the Village of Palos Park's Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the Village's financial activities during the fiscal year ending April 30, 2017. The MD&A is designed to focus on the current year's activities; and should be read in conjunction with the Transmittal Letter at the front of this report, and the Village's financial statements which follow this section.

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### FINANCIAL HIGHLIGHTS

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- **Net position and performance in total** – The Village's total net position at fiscal year-end was \$21,812,456 a decrease of \$832,653 during the year.
- **Governmental activity summary** – Net position for governmental activities decreased by \$276,245 during the year to \$2,114,585.
- **Business-type activity summary** – Net position for business-type activities decreased by \$556,408 during the year to \$19,697,871.
- **General Fund summary** – The Village's General Fund reported a decrease of \$27,350 in fund balance for the year.
- **Budget vs. Actual** – The Village's actual revenues for the General Fund were less than budgeted revenues by \$324,504 while the actual expenditures were less than total budgeted expenditures by \$287,716.

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### OVERVIEW OF THE FINANCIAL STATEMENTS

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The Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow users to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

This discussion and analysis is intended to serve as an introduction to the Village of Palos Park's financial section of the CAFR. The financial section of the CAFR includes four components: 1) management's discussion and analysis; 2) the basic financial statements; 3) required supplementary information; and, 4) additional supplementary information. The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the Village's overall financial status. Fund financial statements focus on individual parts of the Village government, reporting Village operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements. In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds, for additional supplementary information, and for statistical information.

The following table summarizes the major features of the Village's financial statements.

DESCRIPTION	FUND STATEMENTS			
	GOVERNMENT-WIDE STATEMENTS	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	FIDUCIARY FUNDS
Scope	Entire Village government (except fiduciary funds) and the Village's component unit.	Activities of the Village that are not proprietary or fiduciary; such as, public safety.	Activities the Village operates similar to private business; such as, the water and sewer systems.	Activities in which the Village is trustee or agent of another's resources; such as pension plans.
Required financial statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balances	- Statement of Net Position - Statement of Revenues, Expenses, and Changes in Net Position - Statement of Cash Flows	- Statement of Fiduciary Net Position - Statement of Changes in Fiduciary Net Position
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources	Economic resources
Type of asset and liability information	All assets and liabilities; both financial and capital, short and long-term.	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets.	All assets and liabilities; both financial and capital, short and long-term.	All assets and liabilities; both short and long-term. Does not currently contain capital assets.
Type of inflow and outflow information	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter.	All revenues and expenses during the year regardless of when cash is received or paid.	All revenues and expenses during the year regardless of when cash is received or paid.

## ***GOVERNMENT-WIDE STATEMENTS***

The government-wide financial statements are designed to emulate the corporate-like sector in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to disclose bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund’s current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government’s general taxes and other resources. This is intended to summarize and simplify the user’s analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village’s basic services, including administration, financial services, police, recreation, public works, and zoning. Property taxes, local utility taxes, telecommunications taxes, and shared state tax distributions finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

## ***FUND FINANCIAL STATEMENTS***

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus of these fund financial statements is on major funds, rather than fund types.

Governmental Funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental Funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long-term financial information.

Fiduciary funds are presented for certain activities where the Village’s role is that of trustee or agent (i.e. Police Pension). While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose, and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements is the same as the business-type column on the government-wide financial statement, the governmental funds total column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual), which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds, proceeds from sales of capital assets, and interfund transfers as other financing sources; as well as, capital outlay expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide financial statements.

## FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

### STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$21,812,456. The following table reflects the condensed Statement of Net Position as of April 30, 2016 and 2017. For more detailed information see the Statement of Net Position.

**TABLE 1  
STATEMENT OF NET POSITION  
FOR FISCAL YEARS 2016 AND 2017**

	<i>Governmental Activities 2016</i>	<i>Governmental Activities 2017</i>	<i>Business- Type Activities 2016</i>	<i>Business- Type Activities 2017</i>	<i>Total Primary Government 2016</i>	<i>Total Primary Government 2017</i>
<b>Assets:</b>						
<i>Current and Other Assets</i>	\$ 3,253,011	\$ 3,232,009	\$ 3,168,244	\$ 3,221,852	\$ 6,421,255	\$ 6,453,861
<i>Capital Assets</i>	4,612,176	4,656,833	19,292,375	18,490,746	23,904,551	23,147,579
<b>Total Assets</b>	<b>\$ 7,865,187</b>	<b>\$ 7,888,842</b>	<b>\$ 22,460,619</b>	<b>\$ 21,712,598</b>	<b>\$ 30,325,806</b>	<b>\$ 29,601,440</b>
<i>Deferred Outflows of Resources</i>	\$ 988,714	\$ 917,583	\$ 118,071	\$ 132,751	\$ 1,106,785	\$ 1,050,334
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 8,853,901</b>	<b>\$ 8,806,425</b>	<b>\$ 22,578,690</b>	<b>\$ 21,845,349</b>	<b>\$ 31,432,591</b>	<b>\$ 30,651,774</b>
<b>Liabilities:</b>						
<i>Other Liabilities</i>	\$ 562,190	\$ 498,730	\$ 372,708	\$ 357,664	\$ 934,898	\$ 856,394
<i>Long-Term Liabilities</i>	5,244,206	5,230,934	1,944,965	1,779,766	7,189,171	7,010,700
<b>Total Liabilities</b>	<b>\$ 5,806,396</b>	<b>\$ 5,729,664</b>	<b>\$ 2,317,673</b>	<b>\$ 2,137,430</b>	<b>\$ 8,124,069</b>	<b>\$ 7,867,094</b>
<i>Deferred Inflows of Resources</i>	\$ 656,675	\$ 962,176	\$ 6,738	\$ 10,048	\$ 663,413	\$ 972,224
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 6,463,071</b>	<b>\$ 6,691,840</b>	<b>\$ 2,324,411</b>	<b>\$ 2,147,478</b>	<b>\$ 8,787,482</b>	<b>\$ 8,839,318</b>
<b>Net Position:</b>						
<i>Net Investment in Capital Assets</i>	\$ 4,247,176	\$ 4,321,833	\$ 17,547,723	\$ 16,928,804	\$ 21,794,899	\$ 21,250,637
<i>Restricted</i>	1,035,595	836,377	-	-	1,035,595	836,377
<i>Unrestricted</i>	(2,891,941)	(3,043,625)	2,706,556	2,769,067	(185,385)	(274,558)
<b>TOTAL NET POSITION</b>	<b>\$ 2,390,830</b>	<b>\$ 2,114,585</b>	<b>\$ 20,254,279</b>	<b>\$ 19,697,871</b>	<b>\$ 22,645,109</b>	<b>\$ 21,812,456</b>

### ***CURRENT YEAR IMPACT – NET POSITION***

The Village's combined net position (which is the Village's bottom line) decreased 3.67% from \$22,645,109 to \$21,813,456 with a decrease in net position of \$823,653. Net position of the Village's governmental activities decreased \$276,245 during the year and ended the year at \$2,114,585. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased \$151,684 over last year to (\$3,043,625).

The net position of business-type net position decreased \$556,408 or 2.75% during the year, and ended the fiscal year at \$19,697,871. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$2,769,067. Business-type activities include water, sewer, solid waste, and commuter parking lot services. The annual operating cost of these services for Fiscal Year 2017 was \$3,420,897.

### ***NORMAL IMPACTS – NET POSITION***

There are six common (basic) types of transactions that will generally affect the comparability of the Statement of Net Position summary presentation.

1. ***Net Results Of Activities*** – Impacts (increases/decreases) current assets and unrestricted net position.
2. ***Borrowing For Capital*** – Increases current assets and long-term debt.
3. ***Spending Borrowed Proceeds on New Capital*** – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the net investment in capital assets.
4. ***Spending Of Non-borrowed Current Assets On New Capital*** – (a) Reduces current assets and increases capital assets, and (b) reduces unrestricted net position and increases net investment in capital assets.
5. ***Principal Payment On Debt*** – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net position and increases net investment in capital assets.
6. ***Reduction Of Capital Assets Through Depreciation*** – Reduces capital assets and net investment in capital assets.

## STATEMENT OF CHANGES IN NET POSITION

The following table presents a condensed summary of Changes in Net Position for the current fiscal year; as well as, the previous fiscal year.

**TABLE 2**  
**CHANGES IN NET POSITION**  
**FOR FISCAL YEARS 2016 AND 2017**

	Governmental Activities 2016	Governmental Activities 2017	Business- Type Activities 2016	Business- Type Activities 2017	Total Primary Government 2016	Total Primary Government 2017
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 773,600	\$ 730,795	\$ 2,786,232	\$ 2,781,732	\$ 3,559,832	\$ 3,512,527
Operating Grants	123,981	122,854	-	-	123,981	122,854
<b>General Revenues:</b>						
Property Taxes	1,311,982	1,311,952	-	-	1,311,982	1,311,952
Sales Taxes	789,842	977,144	-	-	789,842	977,144
Utility Taxes	442,551	442,015	-	-	442,551	442,015
Income Taxes	516,556	458,162	-	-	516,556	458,162
Other	272,394	162,083	-	-	272,394	162,083
Investment Income	5,543	20,730	751	1,544	6,294	22,274
Gain on Sale of Capital Assets	-	-	-	-	-	-
Other	524,000	460,950	38,568	81,213	562,568	542,163
<b>Total Revenues</b>	<b>4,760,449</b>	<b>4,686,685</b>	<b>2,825,551</b>	<b>2,864,489</b>	<b>7,586,000</b>	<b>7,551,174</b>
<b>EXPENSES</b>						
General Government	1,025,499	721,192	-	-	1,025,499	721,192
Public Safety	2,698,289	2,634,989	-	-	2,698,289	2,634,989
Public Works	704,318	576,081	-	-	704,318	576,081
Building and Public Grounds	688,816	498,089	-	-	688,816	498,089
Culture and Recreation	562,906	516,908	-	-	562,906	516,908
Water	-	-	2,107,252	2,201,814	2,107,252	2,201,814
Sewer	-	-	771,114	781,918	771,114	781,918
Solid Waste	-	-	316,838	354,417	316,838	354,417
Commuter Lot	-	-	81,690	82,748	81,690	82,748
Interest	16,953	15,671	-	-	16,953	15,671
<b>Total Expenses</b>	<b>5,696,781</b>	<b>4,962,930</b>	<b>3,276,894</b>	<b>3,420,897</b>	<b>8,973,675</b>	<b>8,383,827</b>
<b>Change in Net Position Before Transfers</b>	<b>(936,332)</b>	<b>(276,245)</b>	<b>(451,343)</b>	<b>(556,408)</b>	<b>(1,387,675)</b>	<b>(832,653)</b>
<b>Transfers</b>	<b>30,000</b>		<b>(30,000)</b>		<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(906,332)</b>	<b>(276,245)</b>	<b>(481,343)</b>	<b>(556,408)</b>	<b>(1,387,675)</b>	<b>(832,653)</b>
<b>Beginning Net Position</b>	<b>3,297,162</b>	<b>2,390,830</b>	<b>20,735,622</b>	<b>20,254,279</b>	<b>24,032,784</b>	<b>22,645,109</b>
<b>Ending Net Position</b>	<b>\$ 2,390,830</b>	<b>\$ 2,114,585</b>	<b>\$ 20,254,279</b>	<b>\$ 19,697,871</b>	<b>\$ 22,645,109</b>	<b>\$ 21,812,456</b>

## ***CURRENT YEAR IMPACTS -- CHANGES IN NET POSITION***

### ***Governmental Activities***

Overall total revenues for governmental activities in Fiscal Year 2017 totaled \$4,686,685 representing a decrease in net amount of \$73,764 or 1.55% (\$730,795 for Charges for Services; \$1,311,952 for Property Taxes; and \$2,643,938 for Other Revenues). Revenues decreased in the following categories: charges for services, income taxes, utility taxes, and operating grants during the fiscal year. Property taxes were one of the Village's largest sources of revenue at \$1,311,952; that is a decrease of \$30 over the prior fiscal year. Sales tax revenue increased by 23.71% to \$977,144 or \$187,302 more than FY2016. Utility taxes in FY2017 decreased to \$442,015 or \$536 less than the prior fiscal year. State income tax payments decreased 11.30% to an annual total of \$458,162. Other revenue sources have experienced minor decreases, again reflecting continuing economic conditions.

Expenses for governmental activities totaled \$4,962,930 representing an 12.88% decrease from the previous fiscal year. Some of the more notable decreases in spending are as follows: wages decreased by 1.35% to \$2,336,203; while benefits decreased 13.28% to \$709,328; legal fees decreased 40.92% to \$243,284; other contractual services increased 1.69% to \$725,342; commodities decreased 0.58% to \$249,251; and insurance increased 70.36% to \$82,938 in this fiscal year. The Village saw decreases in departmental expenses in general government, public safety, building and public grounds, and public works; while culture and recreation, and capital outlay noted increases in departmental expenses during the fiscal year.

### ***Business-Type Activities***

Revenue from business-type activities totaled \$2,864,489 (\$2,781,732 charges for services; \$1,544 from investment income; and \$81,213 from other income), representing an increase of \$38,938 from the previous fiscal year. Operating revenues in the Water Fund decreased \$15,220 to \$1,863,555; while in the Sewer Fund the operating revenues increased \$408 to \$470,878 in Fiscal Year 2017. The Refuse and Recycling Fund for FY17 ended the fiscal year with total revenues of \$345,398 an increase of \$5,506. The Commuter Lot Fund operating revenues increased \$4,806 to \$101,901 in FY17. Fiscal Year 2017 saw rate adjustments for both water and sewer funds; however, usage is dependent on the weather, a warmer summer season increases water consumption.

Expenses for business-type activities totaled \$3,420,897, a \$144,003 increase from the previous fiscal year. In the fiscal year, water purchase expenses increased by \$10,428 or 1.57% due to increased fees for the purchase of water. Water services operational expenses increased by \$183,064 to \$1,767,092. The Commuter Lot Fund operating expenses increased \$1,058 to \$82,748. The Sewer Fund operating expenses decreased \$44,877 to \$320,999. The Refuse and Recycling Fund ended the fiscal year with total expenses of \$354,417 an increase of \$37,579 or 11.86% for the fiscal year 2017.

## ***NORMAL IMPACTS – CHANGES IN NET POSITION***

Reflected below are nine common (basic) impacts on revenues and expenses.

- ***Economic Condition*** – Reflects a declining, stable, or growing economic environment and has a substantial impact on state income, sales, telecommunications, and utility tax revenues; as well as, public spending habits for items, such as: building permits and elective user fees including volumes of usage.
- ***Increase/Decrease In Village Approved Rates*** – While certain tax rates are set by statute, the Village Council has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers, etc.) The Village’s property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index (2.1% for the 2016 levy) or 5.0%; plus any growth gained through development or redevelopment.
- ***Changing Patterns Of Intergovernmental And Grant Revenue (both recurring and non-recurring)*** – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- ***Market Impacts On Investment Income*** – The Village’s investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.
- ***Changes In Programs*** – Within the functional expense categories (General Government, Public Safety, Public Works, etc.), individual programs may be added, deleted, or expanded to meet changing community needs.
- ***Changes In Authorized Personnel*** – Changes in service demand may cause the Village Council to increase/decrease authorized staffing.
- ***Salary Increases (annual adjustments and step increases)*** – The ability to attract and retain human and intellectual resources requires the Village to strive to maintain a competitive salary range position in the marketplace.
- ***Inflation*** – Overall inflation decreased slightly (the CPI-U was 2.2%) at the end of FY17 compared to the end of FY16’s CPI-U of 1.3%, but the CPI measures “average” inflation. The Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly difference from CPI; for example, insurance, fuel, electricity, and operating services.
- ***Unfunded Mandates and Imposed Fees*** – Over the years there have been many unfunded mandates and fee impositions that have hit municipalities. The Village is impacted by unfunded mandates imposed by federal, state, and local governments; as well as, regulatory agencies. These unfunded mandates can generate additional expenses without compensating revenues.

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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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For the fiscal year ending April 30, 2017, the Governmental Funds reflect a combined fund balance of \$2,151,924 which is an increase of \$16,872 or 0.79%, from the prior fiscal year. The General Fund ending fund balance at April 30, 2017 was \$1,318,377 which is a decrease of \$27,350. A healthy fund balance is sufficient to allow for short-term cash flow aberrations and a fund balance assignment for working cash. Additionally, a healthy General Fund balance ensures that the Village has sufficient reserves to cover planned upcoming expenditures, continued commitments to projects set aside for funding in the FY17 budget per the Village's finance plan, and impacts that could arise over several years of a potential extended economic downturn or diminishment in revenues impacted by the State of Illinois. The unassigned fund balance represents 26.75% of the Village's General Fund expenditures for FY17. This percentage is over the Village's policy of retaining a minimum of three months or a 25% reserve of the General Fund expenditure budget in the fund balance. This fund balance amount represents 5.59% or \$240,882 over the required three months reserve. While the Village would still consider its fund balance to be healthy, the recent trend, which does not differ from other municipalities in the State as the economic crisis continues, it is worth keeping a close watch.

Total revenues for the General Fund of \$4,329,368 was less than the prior fiscal year by \$88,421 or 2.00%. Revenue increases were seen in Intergovernmental, Taxes, Interest, and Charges for Services. Actual General Fund revenues were less than originally budgeted revenues by \$324,504 for the fiscal year. General Fund expenditures were less than originally budgeted by \$287,716. The actual revenue was more than the actual expenditures by \$19,387 prior to other financing sources. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are explained below.

Operating expenditures decreased in Fiscal Year 2017 to \$4,309,981 or \$268,421 less than the prior fiscal year. General Fund expenditures were \$287,716 less than budgeted in the fiscal year. Administration expenditures were less than the prior fiscal year as result of decreased benefits, legal fees, consultants, and commodities. Public Safety also noted higher expenditures for insurance and contractual services; however, less expenses for wages, benefits, and legal fees. Public Works decreased spending for benefits, insurance, legal fees, and contractual services in FY17. Building decreased spending in wages, benefits, and Public Grounds decreased spending in other contractual services. Recreation increased spending for wages, commodities, and other contractual services. Public Affairs noted significantly less expenditures for legal fees in the fiscal year as compared to the prior fiscal year, but noted increases in consultants, and commodities.

**TABLE 3  
GENERAL FUND BUDGETARY HIGHLIGHTS**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

<i>General Fund</i>	<i>FY17 Budget</i>	<i>FY17 Actual</i>	<i>FY16 Actual</i>	<i>FY15 Actual</i>	<i>FY14 Actual</i>	<i>FY13 Actual</i>
<i>Revenues:</i>						
<i>Taxes</i>	2,087,987	1,916,050	\$ 2,026,927	\$ 2,015,456	\$ 2,021,488	\$ 1,953,164
<i>Licenses &amp; Permits</i>	416,800	426,234	503,771	500,102	372,638	459,802
<i>Intergovernmental</i>	1,324,299	1,240,777	1,141,231	1,141,071	1,128,198	1,153,260
<i>Other</i>	824,786	746,307	745,860	646,849	591,721	543,369
<b>Total</b>	<b>4,653,872</b>	<b>4,329,368</b>	<b>4,417,789</b>	<b>4,303,478</b>	<b>4,114,045</b>	<b>4,109,595</b>
<i>Expenditures:</i>						
<i>Current</i>	(4,597,697)	(4,263,072)	(4,545,059)	(4,013,993)	(3,889,486)	(3,751,297)
<i>Capital Outlay</i>	-	(46,909)	(33,343)	(47,301)	(37,569)	(537)
<i>Debt Service</i>	-	-	-	(312,565)	(258,132)	(270,144)
<b>Total</b>	<b>(4,597,697)</b>	<b>(4,309,981)</b>	<b>(4,578,402)</b>	<b>(4,373,859)</b>	<b>(4,185,187)</b>	<b>(4,021,978)</b>
<i>Other Financing Sources (Uses)</i>						
<i>Transfers In</i>	-	-	80,000	85,000	85,000	70,000
<i>Transfers Out</i>	(56,175)	(46,737)	(157,231)	(52,510)	(44,110)	(44,110)
<i>Proceeds from Sale of Assets</i>	-	-	5,218	-	7,966	1,406
<b>Total</b>	<b>(56,175)</b>	<b>(46,737)</b>	<b>(72,013)</b>	<b>32,490</b>	<b>48,856</b>	<b>27,296</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (27,350)</b>	<b>\$ (232,626)</b>	<b>\$ (37,891)</b>	<b>\$ (22,286)</b>	<b>\$ 114,913</b>

**Capital Assets**

At the end of Fiscal Year 2017, the Village had a total of capital assets in the amount of \$23,147,579; invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, water mains, storm sewers, and sanitary sewer lines. For more detailed information on capital assets, refer to Notes to Financial Statements #3: *Capital Assets* in the basic financial statements.

Major capital activity during the year included street resurfacing program using Motor Fuel Tax Fund, and several drainage improvement projects paid from the ½ % Sales Tax Fund. One new squad car were purchased from the Police Asset Forfeiture Fund. The installation of a lift station control with funds from the Sewer Fund. Land Improvements include the Village Green drainage project, the LaGrange Road Project, and the Cal-Sag Bike Trail. In addition, there were building improvements in the Kaptur Center building and Recreation Building.

**TABLE 4**  
**CHANGES IN NET CAPITAL ASSETS**

	<i>Beginning Balance May 1, 2016</i>	<i>Additions/ Deletion</i>	<i>Ending Balance April 30, 2017</i>
<b>Non-Depreciable Assets</b>			
<i>Land</i>	\$ 1,729,988	\$ -	\$ 1,729,988
<b>Depreciable Capital Assets</b>			
<i>Buildings and Improvements</i>	4,243,416	151,735	4,395,151
<i>Equipment and Vehicles</i>	1,158,935	2,129	1,161,064
<i>Land Improvements</i>	-	21,356	21,356
<i>Water Distribution System</i>	18,451,825	97,153	18,548,978
<i>Sewer Distribution System</i>	17,364,084	20,070	17,384,154
<i>Accumulated Depreciation on Capital Assets</i>	(19,043,697)	(1,049,415)	(20,093,112)
<b>TOTAL</b>	<b>\$ 23,904,551</b>	<b>\$ (756,972)</b>	<b>\$ 23,147,579</b>

### ***Debt Outstanding***

At year end, the Village of Palos Park had the following debt outstanding:

- In the fall of 2006, the Village issued a \$570,000 installment contract for the purchase of property for a future park. As of April 30, 2017, the balance was \$335,000.
- The Village's Water Fund has bonds payable for two special assessments (96-1A and 96-1B) for a public benefit portion of those special assessments. The principal balance as of April 30, 2017 was \$56,942.
- In Fiscal Year 2005, the Village issued \$450,000 Series 2004 General Obligation Alternate Revenue Bonds for the extension of water and sewer along certain areas of LaGrange Road and the area of 131st Street and Wolf Road. In FY06, the Village issued \$450,000 Series 2005 General Obligation Alternate Revenue Bonds for the 94th Ave./Rod Estates/Munch Subdivision. In both cases the property taxes on these bonds are to be abated annually and the bonds are repaid with water and sewer revenues. As of April 30, 2017, the combined principal balance remaining was \$215,000.
- In Fiscal Year 2010, the Village issued \$1,750,000 Series 2010 General Obligation Alternative Revenue Bonds to finance the construction of an underground reservoir. The principal balance as of April 30, 2017 was \$1,290,000.

The Village is also the paying agent for several special assessment bonds. These bonds are an obligation of the associated special assessment district residents as enforceable liens and are not an obligation of the Village. Therefore, those debts are not a liability of the Village of Palos Park.

The Village's total legal general obligation debt limit is \$17,752,498. The Village's total general obligation debt applicable to this limit of \$335,000 is well within the limit. See Notes to Financial Statements #3: *Long-Term Debt* for additional information regarding the long-term debt of the Village.

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## ECONOMIC FACTORS

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The Village's elected officials and department directors considered many factors when preparing the fiscal year's budget, adopting the property tax levy, and setting fees that will be charged for its governmental and business-type activities. The economic factors taken into account for fiscal year when those documents were prepared and/or considered are described below. These economic factors include housing, interest rates, deflation, credit/loan issues, the poor performance of the stock market, and the State of Illinois governmental fiscal crisis among others.

The Village's 2016 tax year equalized assessed value (EAV) for property taxes payable in 2017 was \$205,826,066 as compared to the 2015 EAV of \$197,028,709. This is a 4.47% increase in the Village's EAV, due to external economic factors and is the first year that the values have increased. However, property taxes within the Village's corporate limits continue to provide a stable revenue source.

The Village has long established policies, special revenue funds, and other reserves to provide for its ability to continue operations should changes in the economy or its normal revenue streams occur. While the financial issues particularly associated with the State of Illinois are yet to be resolved, the Village may need to re-evaluate its operations, consider increasing other revenue sources, and/or reduce expenditures should there be significant or permanent changes in normal funding received through these sources in the future. The Village continues to monitor revenue and expenses throughout the fiscal year. Managing the delivery of quality municipal services is a challenge to all local governments, and doing so in a down economy is especially difficult. The Village will continue to be proactive in responding to any unforeseen events to minimize the impact to the Village residents.

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## CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. This report and others may be found on the Village's website: [www.palospark.org](http://www.palospark.org). Questions concerning this report or requests for additional financial information should be directed to:

**Barbara Maziarek**  
Finance Director and Treasurer  
Village of Palos Park  
8999 W. 123rd Street  
Palos Park, Illinois 60464  
[bmaziarek@palospark.org](mailto:bmaziarek@palospark.org)

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Net Position  
April 30, 2017**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,968,851	2,918,461	4,887,312
Receivables - Net of Allowances	1,047,694	337,631	1,385,325
Due from Other Governments	10,613	-	10,613
Internal Balances	43,387	(43,387)	-
Prepays/Inventories	161,464	9,147	170,611
Total Current Assets	3,232,009	3,221,852	6,453,861
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,709,988	20,000	1,729,988
Depreciable	5,395,906	36,114,797	41,510,703
Accumulated Depreciation	(2,449,061)	(17,644,051)	(20,093,112)
Total Noncurrent Assets	4,656,833	18,490,746	23,147,579
Total Assets	7,888,842	21,712,598	29,601,440
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	306,733	132,751	439,484
Deferred Items - SLEP	79,621	-	79,621
Deferred Items - Police Pension	531,229	-	531,229
Total Deferred Outflows of Resources	917,583	132,751	1,050,334
Total Assets and Deferred Outflows of Resources	8,806,425	21,845,349	30,651,774

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 119,239	134,586	253,825
Accrued Payroll	90,627	18,236	108,863
Accrued Interest	5,912	14,349	20,261
Deposits Payable	211,888	-	211,888
Current Portion of Long-Term Liabilities	71,064	190,493	261,557
Total Current Liabilities	<u>498,730</u>	<u>357,664</u>	<u>856,394</u>
Noncurrent Liabilities			
Compensated Absences Payable	164,255	31,130	195,385
Net Pension Liability - IMRF	853,548	369,404	1,222,952
Net Pension Liability - SLEP	74,865	-	74,865
Net Pension Liability - Police Pension	3,833,266	-	3,833,266
General Obligation Bonds/Debt Certificates	305,000	1,360,000	1,665,000
Special Assessment Bonds Payable	-	19,232	19,232
Total Noncurrent Liabilities	<u>5,230,934</u>	<u>1,779,766</u>	<u>7,010,700</u>
Total Liabilities	<u>5,729,664</u>	<u>2,137,430</u>	<u>7,867,094</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	658,331	-	658,331
Deferred Items - IMRF	23,215	10,048	33,263
Deferred Items - SLEP	93,772	-	93,772
Deferred Items - Police Pension	186,858	-	186,858
Total Deferred Inflows of Resources	<u>962,176</u>	<u>10,048</u>	<u>972,224</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,691,840</u>	<u>2,147,478</u>	<u>8,839,318</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,321,833	16,928,804	21,250,637
Restricted - Special Events	897	-	897
Restricted - Beautification	2,422	-	2,422
Restricted - McCord	646	-	646
Restricted - Highways and Streets	289,324	-	289,324
Restricted - Capital Projects	127,786	-	127,786
Restricted - Public Infrastructure Improvements	415,302	-	415,302
Unrestricted (Deficit)	<u>(3,043,625)</u>	<u>2,769,067</u>	<u>(274,558)</u>
Total Net Position	<u>2,114,585</u>	<u>19,697,871</u>	<u>21,812,456</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended April 30, 2017**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 721,192	426,234	-	-
Public Safety	2,634,989	85,555	-	-
Public Works	576,081	-	122,854	-
Building and Public Grounds	498,089	-	-	-
Culture and Recreation	516,908	219,006	-	-
Interest on Long-Term Debt	15,671	-	-	-
<b>Total Governmental Activities</b>	<b>4,962,930</b>	<b>730,795</b>	<b>122,854</b>	<b>-</b>
<b>Business-Type Activities</b>				
Water	2,201,814	1,863,555	-	-
Sewer Maintenance	781,918	470,878	-	-
Refuse and Recycling	354,417	345,398	-	-
Commuter Parking Lot	82,748	101,901	-	-
<b>Total Business-Type Activities</b>	<b>3,420,897</b>	<b>2,781,732</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>8,383,827</b>	<b>3,512,527</b>	<b>122,854</b>	<b>-</b>

General Revenues  
 Taxes  
   Property  
   Local Sales  
   Utility  
   Other Taxes  
 Intergovernmental - Unrestricted  
   State Sales Tax  
   State Income Tax  
 Interest  
 Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Primary Government		
Net (Expense)/Revenue		
Governmental Activities	Business-Type Activities	Totals
(294,958)	-	(294,958)
(2,549,434)	-	(2,549,434)
(453,227)	-	(453,227)
(498,089)	-	(498,089)
(297,902)	-	(297,902)
(15,671)	-	(15,671)
(4,109,281)	-	(4,109,281)
-	(338,259)	(338,259)
-	(311,040)	(311,040)
-	(9,019)	(9,019)
-	19,153	19,153
-	(639,165)	(639,165)
(4,109,281)	(639,165)	(4,748,446)
1,311,952	-	1,311,952
194,529	-	194,529
442,015	-	442,015
162,083	-	162,083
782,615	-	782,615
458,162	-	458,162
20,730	1,544	22,274
460,950	81,213	542,163
3,833,036	82,757	3,915,793
(276,245)	(556,408)	(832,653)
2,390,830	20,254,279	22,645,109
2,114,585	19,697,871	21,812,456

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2017**

	General	Nonmajor	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,137,283	831,568	1,968,851
Receivables - Net of Allowances			
Taxes	956,763	39,718	996,481
Accounts	24,105	-	24,105
Other	27,108	-	27,108
Due from Other Governments	-	10,613	10,613
Due from Other Funds	75,644	-	75,644
Prepays	161,464	-	161,464
Total Assets	<u>2,382,367</u>	<u>881,899</u>	<u>3,264,266</u>
<b>LIABILITIES</b>			
Accounts Payable	103,144	16,095	119,239
Accrued Payroll	90,627	-	90,627
Deposits Payable	211,888	-	211,888
Due to Other Funds		32,257	32,257
Total Liabilities	<u>405,659</u>	<u>48,352</u>	<u>454,011</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	658,331	-	658,331
Total Liabilities and Deferred Inflows of Resources	<u>1,063,990</u>	<u>48,352</u>	<u>1,112,342</u>
<b>FUND BALANCES</b>			
Nonspendable	161,464	-	161,464
Restricted	3,965	832,412	836,377
Assigned	-	33,392	33,392
Unassigned	1,152,948	(32,257)	1,120,691
Total Fund Balances	<u>1,318,377</u>	<u>833,547</u>	<u>2,151,924</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>2,382,367</u>	<u>881,899</u>	<u>3,264,266</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Position - Governmental Activities**

**April 30, 2017**

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**Total Governmental Fund Balances** \$ 2,151,924

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported in the funds. 4,656,833

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.  
Deferred Items - IMRF 283,518  
Deferred Items - SLEP (14,151)  
Deferred Items - Police Pension 344,371

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.  
Compensated Absences Payable (205,319)  
Net Pension Liability - IMRF (853,548)  
Net Pension Liability - SLEP (74,865)  
Net Pension Liability - Police Pension (3,833,266)  
Debt Certificates Payable (335,000)  
Accrued Interest Payable (5,912)

**Net Position of Governmental Activities** 2,114,585

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2017**

	General	Nonmajor	Totals
<b>Revenues</b>			
Taxes	\$ 1,916,050	194,529	2,110,579
Intergovernmental	1,240,777	122,854	1,363,631
Licenses and Permits	426,234	-	426,234
Charges for Services	219,006	-	219,006
Fines and Forfeitures	74,844	10,711	85,555
Interest	16,636	4,094	20,730
Miscellaneous	435,821	25,129	460,950
<b>Total Revenues</b>	<b>4,329,368</b>	<b>357,317</b>	<b>4,686,685</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	661,854	-	661,854
Public Safety	2,160,873	11,202	2,172,075
Public Works	503,033	41,333	544,366
Building and Grounds	433,383	108,129	541,512
Culture and Recreation	503,929	9,402	513,331
Capital Outlay	46,909	143,591	190,500
<b>Debt Service</b>			
Principal Retirement	-	30,000	30,000
Interest and Fiscal Charges	-	16,175	16,175
<b>Total Expenditures</b>	<b>4,309,981</b>	<b>359,832</b>	<b>4,669,813</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,387	(2,515)	16,872
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	56,175	56,175
Transfers Out	(46,737)	(9,438)	(56,175)
	(46,737)	46,737	-
Net Change in Fund Balances	(27,350)	44,222	16,872
Fund Balances - Beginning	1,345,727	789,325	2,135,052
Fund Balances - Ending	1,318,377	833,547	2,151,924

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities**

**For the Fiscal Year Ended April 30, 2017**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 16,872

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	229,949
Depreciation Expense	(185,292)
Disposals - Cost	(105,615)
Disposals - Accumulated Depreciation	105,615

The net effect of deferred outflows (inflows) of resources related to the pensions  
not reported in the funds.

Change in Deferred Items - IMRF	17,734
Change in Deferred Items - SLEP	(117,041)
Change in Deferred Items - Police Pension	(259,585)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Deductions to Compensated Absences Payable	36,713
(Additions) to Net Pension Liability - IMRF	(9,368)
Deductions to Net Pension Liability - SLEP	12,220
(Additions) to Net Pension Liability - Police Pension	(48,951)
Retirement of Debt	30,000

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

504

**Changes in Net Position of Governmental Activities**

(276,245)

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 1,773,366	1,047,146	-	72,159	2,892,671
Cash at Paying Agent	25,790	-	-	-	25,790
Receivables - Net of Allowances					
Accounts	228,249	49,523	59,859	-	337,631
Prepays	4,241	3,711	-	1,195	9,147
Total Current Assets	2,031,646	1,100,380	59,859	73,354	3,265,239
Noncurrent Assets					
Capital Assets					
Nondepreciable	20,000	-	-	-	20,000
Depreciable	18,709,287	17,384,154	-	21,356	36,114,797
Accumulated Depreciation	(8,699,182)	(8,943,869)	-	(1,000)	(17,644,051)
Total Noncurrent Assets	10,030,105	8,440,285	-	20,356	18,490,746
Total Assets	12,061,751	9,540,665	59,859	93,710	21,755,985
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Items - IMRF	97,558	35,193	-	-	132,751
Total Assets and Deferred Outflows of Resources	12,159,309	9,575,858	59,859	93,710	21,888,736

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise				
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	Totals
				Commuter Parking Lot	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$ 79,282	13,782	28,448	13,074	134,586
Accrued Payroll	13,610	4,626	-	-	18,236
Accrued Interest	12,888	1,461	-	-	14,349
Due to Other Funds	-	-	43,387	-	43,387
Current Portion of					
Long-Term Debt	150,117	40,376	-	-	190,493
Total Current Liabilities	255,897	60,245	71,835	13,074	401,051
Noncurrent Liabilities					
Compensated Absences Payable	22,571	8,559	-	-	31,130
Net Pension Liability - IMRF	271,472	97,932	-	-	369,404
General Obligation Bonds	1,281,492	78,508	-	-	1,360,000
Special Assessment Bonds Payable	19,232	-	-	-	19,232
Total Noncurrent Liabilities	1,594,767	184,999	-	-	1,779,766
Total Liabilities	1,850,664	245,244	71,835	13,074	2,180,817
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Items - IMRF	7,384	2,664	-	-	10,048
Total Liabilities and Deferred Inflows of Resources	1,858,048	247,908	71,835	13,074	2,190,865
<b>NET POSITION</b>					
Net Investment in Capital Assets	8,584,907	8,323,541	-	20,356	16,928,804
Unrestricted (Deficit)	1,716,354	1,004,409	(11,976)	60,280	2,769,067
Total Net Position	10,301,261	9,327,950	(11,976)	80,636	19,697,871

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
Operating Revenues					
Charges for Services	\$ 1,848,555	470,128	345,398	101,901	2,765,982
Sale of Water Meters	7,576	-	-	-	7,576
Miscellaneous	7,424	750	-	-	8,174
Total Operating Revenues	1,863,555	470,878	345,398	101,901	2,781,732
Operating Expenses					
Personnel	477,364	174,985	-	-	652,349
Commodities	60,299	20,258	-	21,144	101,701
Water Purchases	673,868	61,988	-	-	735,856
Services	164,588	-	354,417	60,604	579,609
Non-Capital Assets	265,833	44,255	-	-	310,088
Depreciation	494,965	473,773	-	1,000	969,738
Total Operating Expenses	2,136,917	775,259	354,417	82,748	3,349,341
Operating Income (Loss)	(273,362)	(304,381)	(9,019)	19,153	(567,609)
Nonoperating Revenues (Expenses)					
Interest Income	976	347	-	221	1,544
Rental Income	19,867	-	-	-	19,867
Tap-On Fees	29,896	31,450	-	-	61,346
Interest Expense	(64,897)	(6,659)	-	-	(71,556)
	(14,158)	25,138	-	221	11,201
Income (Loss) Before Transfers	(287,520)	(279,243)	(9,019)	19,374	(556,408)
Transfers In	-	30,000	-	-	30,000
Transfers Out	(30,000)	-	-	-	(30,000)
	(30,000)	30,000	-	-	-
Change in Net Position	(317,520)	(249,243)	(9,019)	19,374	(556,408)
Net Position - Beginning	10,618,781	9,577,193	(2,957)	61,262	20,254,279
Net Position - Ending	10,301,261	9,327,950	(11,976)	80,636	19,697,871

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
For the Fiscal Year Ended April 30, 2017**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 1,916,700	506,439	344,284	101,601	2,869,024
Payments to Suppliers	(1,291,611)	(190,709)	(344,284)	(70,775)	(1,897,379)
Payments to Employees	(359,414)	(127,086)	-	-	(486,500)
	<u>265,675</u>	<u>188,644</u>	<u>-</u>	<u>30,826</u>	<u>485,145</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	-	30,000	-	-	30,000
Transfers Out	(30,000)	-	-	-	(30,000)
	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of Capital Assets	(126,683)	(20,070)	-	(21,356)	(168,109)
Principal Retirement	(144,474)	(38,236)	-	-	(182,710)
Interest Expense	(64,897)	(6,659)	-	-	(71,556)
	<u>(336,054)</u>	<u>(64,965)</u>	<u>-</u>	<u>(21,356)</u>	<u>(422,375)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Income	976	347	-	221	1,544
<b>Net Change in Cash and Cash Equivalents</b>	<u>(99,403)</u>	<u>154,026</u>	<u>-</u>	<u>9,691</u>	<u>64,314</u>
<b>Cash and Cash Equivalents - Beginning</b>	<u>1,898,560</u>	<u>893,120</u>	<u>-</u>	<u>62,468</u>	<u>2,854,148</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>1,799,157</u>	<u>1,047,146</u>	<u>-</u>	<u>72,159</u>	<u>2,918,462</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	(273,362)	(304,381)	(9,019)	19,153	(567,609)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	494,965	473,773	-	1,000	969,738
Other Income (Expense)	50,442	35,190	-	-	85,632
(Increase) Decrease in Current Assets	2,703	371	(1,114)	(300)	1,660
Increase (Decrease) in Current Liabilities	(9,073)	(16,309)	10,133	10,973	(4,276)
<b>Net Cash Provided by Operating Activities</b>	<u>265,675</u>	<u>188,644</u>	<u>-</u>	<u>30,826</u>	<u>485,145</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Fiduciary Net Position**

**April 30, 2017**

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	<u>Pension Trust</u>	
	<u>Police</u>	<u>Agency</u>
	<u>Pension</u>	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 224,733	1,892,491
Investments		
U.S. Agency Obligations	697,599	-
Municipal Bonds	196,577	-
Corporate Bonds	770,594	-
Mutual Funds	865,520	-
Receivables		
Accrued Interest	<u>20,025</u>	<u>-</u>
Total Assets	2,775,048	<u><u>1,892,491</u></u>
<b>LIABILITIES</b>		
Due to Bondholders	<u>-</u>	<u><u>1,892,491</u></u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u><u>2,775,048</u></u>	

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2017**

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	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 200,000
Contributions - Plan Members	75,391
Total Contributions	<u>275,391</u>
Investment Earnings	
Interest Earned	103,120
Net Change in Fair Value	16,974
	<u>120,094</u>
Less Investment Expenses	(9,239)
Net Investment Income	<u>110,855</u>
Total Additions	<u>386,246</u>
Deductions	
Administration	1,380
Benefits and Refunds	142,868
Total Deductions	<u>144,248</u>
Change in Fiduciary Net Position	241,998
Net Position - Beginning	<u>2,533,050</u>
Net Position - Ending	<u><u>2,775,048</u></u>

The notes to the financial statements are an integral part of this statement.

## **VILLAGE OF PALOS PARK, ILLINOIS**

### **Notes to the Financial Statements**

**April 30, 2017**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Palos Park, Illinois (the Village), is a non-home rule village incorporated in 1914. The Village Board is composed of the Mayor and four commissioners which form the legislative branch of the Village. The Village provides a wide range of general municipal services including police protection, crime prevention, community planning and zoning, recreation, building inspection and safety, street building and maintenance, traffic control, water and sewer service, and commuter parking.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

Primary Government: Village of Palos Park

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### **Police Pension Employees Retirement System**

The Village's sworn 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 Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION

###### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's public safety, public works, building and public grounds, culture and recreation, and general administrative services are classified as governmental activities. The Village's water, sewer maintenance, refuse and recycling, and commuter parking lot services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, building and public grounds, culture and recreation, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

**General fund** is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains five nonmajor special revenue funds.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains three capital projects funds. The Village maintains two nonmajor capital projects funds.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains four enterprise funds. The Water Fund, a major fund, is used to account for the provisions of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection. The Sewer Maintenance Fund, a major fund, is used to account for the provisions of sanitary sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection. The Refuse and Recycling Fund, also a major fund, is used to account for the provisions of refuse and recycling services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection.

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

**Pension trust funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Fiduciary Funds – Continued

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Special Assessment Funds are used to account for the accumulation of resources and payment of principal and interest on non-commitment special assessment bonds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

###### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Cash and Investments**

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### **Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	40 Years
Vehicles and Equipment	5 Years
Water and Sewer Distribution System	40 Years

**Compensated Absences**

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the Village’s personnel rules and union contracts.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that in Enterprise Funds, capital additions and debt principal payments are budgeted, while depreciation is not. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, capital projects, enterprise, and pension trust funds. All annual appropriations lapse at fiscal year end.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- All departments of the Village submit requests for budgets to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past two years, current year estimates and requested budget for the next fiscal year.
- The Village Council adopts a budget, which is the operational plan, and includes a budget for all funds utilized by the Village. The budget is presented in these financial statements. The Exaction Fee and Fine Arts Funds are not budgeted.
- The Budgets Ordinance, based on the budget is published for public hearing to obtain taxpayer comment. The budgets ordinance serves as a budget authorization.
- The Budgets Ordinance is legally enacted through the passage of an ordinance. During the year, no supplementary appropriations were necessary.
- The Village Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that alters the total expenditures of any fund must be approved by the Village Council.

**EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Capital Improvements	\$ 97,004
Refuse and Reclwing	24,417
Police Pension	30,898

**DEFICIT FUND BALANCE/NET POSITION**

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
Police Forfeiture	\$ 32,257
Refuse and Reclwing	11,976

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS

##### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type'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 funds are held separately from those of other funds.

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

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

##### **Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$1,793,310 and the bank balances totaled \$3,782,877. In addition, the Village had \$2,881,745 invested in Illinois Funds and \$212,257 invested in IMET, which are measured at the net asset value of the pools.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure by structuring the portfolio to provide liquidity for short-term and long-term cash flow needs while providing a reasonable rate of return based on the current market. At year-end, the Village's investment in the Illinois Fund and IMET have an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk. At year-end, the Village's investments in the Illinois Funds and IMET was rated AAAM and AAAs, respectively, by Standard & Poor's.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification of investment to avoid unreasonable risk. The policy requires that no category of investment should exceed 40% of the total portfolio except for cash equivalents and treasury securities. Further, the portfolio should at no time hold deposits constituting more than 10% of any single financial institution's total deposits. At April 30, 2017, the Village's investment in Illinois Funds is not in compliance with the guidelines outlined above in the Village's investment policy as it represents 57% of the total cash and investment portfolio.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a 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. At year-end, \$25,790 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance and represents cash at paying agent for debt service payments.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) or a receipt versus payment (RVP) basis with the underlying investments held by a safekeeping agent designated by the Village and evidenced by safekeeping receipts. The Village's investments in the Illinois Funds and IMET are not subject to custodial credit risk.

##### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$224,733 and the bank balances totaled \$224,733.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agency Obligations	\$ 697,599	35,426	499,279	162,894	-
Municipal Bonds	196,577	50,800	92,569	53,208	-
Corporate Bonds	770,594	-	548,298	222,296	-
	1,664,770	86,226	1,140,146	438,398	-

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

The Fund has the following recurring fair value measurements as of April 30, 2017:

	April 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
U.S. Agency Obligations	\$ 697,599	-	697,599	-
Municipal Bonds	196,577	-	196,577	-
Corporate Bonds	770,594	770,594	-	-
	1,664,770	770,594	894,176	-
Equity Securities				
Mutual Funds	865,520	865,520	-	-
	2,530,290	1,636,114	894,176	-

*Interest Rate Risk.* In accordance with the Fund’s investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

*Credit Risk.* The Fund helps limit its exposure to credit risk by primarily investing in U.S. agency obligations and other highly rated obligations. The U.S. agency obligations were not rated. The municipal and corporate bonds are rated BBB to AA+ by Standard and Poor’s were not rated.

*Custodial Credit Risk.* For deposits, the Fund’s investment policy requires pledging of collateral for all investments 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 Fund, an independent third party or the Federal Reserve Bank of Chicago. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund’s investment policy does not explicitly address this risk. However, there is no exposure to custodial credit risk for investments.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration Risk.* The Fund's investment policy requires diversification of investments to avoid unreasonable risk. In addition, the Fund's investment policy requires that deposits in the Illinois Funds shall not exceed 50% of the total portfolio. The policy provides no other limits on diversification. In addition to the securities and fair values listed above, the Fund also has \$865,520 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	88.50%	4.30% - 6.50%
Equities	10.00%	3.80% -7.80%
Cash and Cash Equivalents	1.50%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**PROPERTY TAXES**

Property taxes for 2016 attach as an enforceable lien on January 1, 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 Cook County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience.

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 32,257
General	Refuse and Recycling	<u>43,387</u>
		<u><u>75,644</u></u>

Interfund balances are advances in anticipation of receipts.

**Interfund Transfers**

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	\$ 46,737 (2)
Nonmajor Governmental	Nonmajor Governmental	9,438 (1)
Sewer Maintenance	Water	<u>30,000 (1)</u>
		<u><u>86,175</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,709,988	-	-	1,709,988
Depreciable Capital Assets				
Buildings and Improvements	4,243,416	151,735	-	4,395,151
Vehicles and Equipment	1,028,156	78,214	105,615	1,000,755
	<u>5,271,572</u>	<u>229,949</u>	<u>105,615</u>	<u>5,395,906</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,563,685	110,997	-	1,674,682
Vehicles and Equipment	805,699	74,295	105,615	774,379
	<u>2,369,384</u>	<u>185,292</u>	<u>105,615</u>	<u>2,449,061</u>
Total Net Depreciable Capital Assets	<u>2,902,188</u>	<u>44,657</u>	<u>-</u>	<u>2,946,845</u>
Total Net Capital Assets	<u><u>4,612,176</u></u>	<u><u>44,657</u></u>	<u><u>-</u></u>	<u><u>4,656,833</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 104,417
Public Safety	42,126
Public Works	31,715
Culture and Recreation	<u>7,034</u>
	<u><u>185,292</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,000	-	-	20,000
Depreciable Capital Assets				
Land Improvements	-	21,356	-	21,356
Vehicles	130,779	29,530	-	160,309
Water Distribution System	18,451,825	97,153	-	18,548,978
Sewer Distribution System	17,364,084	20,070	-	17,384,154
	<u>35,946,688</u>	<u>168,109</u>	<u>-</u>	<u>36,114,797</u>
Less Accumulated Depreciation				
Land Improvements	-	1,000	-	1,000
Vehicles	99,049	15,870	-	114,919
Water Distribution System	8,108,899	475,364	-	8,584,263
Sewer Distribution System	8,466,365	477,504	-	8,943,869
	<u>16,674,313</u>	<u>969,738</u>	<u>-</u>	<u>17,644,051</u>
Total Net Depreciable Capital Assets	<u>19,272,375</u>	<u>(801,629)</u>	<u>-</u>	<u>18,470,746</u>
Total Net Capital Assets	<u><u>19,292,375</u></u>	<u><u>(801,629)</u></u>	<u><u>-</u></u>	<u><u>18,490,746</u></u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 494,965
Sewer Maintenance	473,773
Commuter Parking Lot	<u>1,000</u>
	<u><u>969,738</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**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 business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
\$450,000 General Obligation Alternate Revenue Bonds of 2004, due in annual installments of \$25,000 to \$40,000 plus interest at 1.80% to 4.10% through December 1, 2019.	\$ 145,000	-	35,000	110,000
\$450,000 General Obligation Alternate Revenue Bonds of 2005, due in annual installments of \$25,000 to \$35,000 plus interest at 3.10% to 4.05% through December 1, 2019.	140,000	-	35,000	105,000
\$1,750,000 General Obligation Alternate Revenue Bonds of 2010, due in annual installments of \$60,000 to \$360,000 plus interest at 2.50% to 4.30% through December 1, 2029.	1,365,000	-	75,000	1,290,000
	<u>1,650,000</u>	<u>-</u>	<u>145,000</u>	<u>1,505,000</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**LONG-TERM DEBT – Continued**

**Debt Certificates**

The Village issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for governmental activities. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$570,000 Debt Certificates of 2006, due in annual installments of \$15,000 to \$45,000 plus interest at 3.60% to 4.35% through December 1, 2025.	\$ 365,000	-	30,000	335,000

**Special Assessment Bonds Payable**

The Village has issued a number of special assessments bonds payable at noted below. The public benefit portion of two of the special assessment bonds payable are payable from the Water Fund. Special Assessment 96-1A has a remaining public benefit portion of \$12,144 at April 30, 2017. Special Assessment 96-1B has a remaining public benefit portion of \$44,798 at April 30, 2017. Debt service to maturity on these two obligations is as follows:

Fiscal Year	Principal	Interest
2018	\$ 37,710	2,794
2019	19,232	931
Totals	56,942	3,725

Special assessment bonds outstanding as of April 30, 2017 totaled \$997,669. Other than the public benefit portion of the special assessments discussed above, these bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 242,032	36,713	73,426	205,319	41,064
Net Pension Liability - IMRF	844,180	9,368	-	853,548	-
Net Pension Liability - SLEP	87,085	-	12,220	74,865	-
Net Pension Liability - Police Pension	3,784,315	48,951	-	3,833,266	-
Debt Certificates	365,000	-	30,000	335,000	30,000
	<u>5,322,612</u>	<u>95,032</u>	<u>115,646</u>	<u>5,301,998</u>	<u>71,064</u>
<b>Business-Type Activities</b>					
Compensated Absences	36,760	4,306	2,153	38,913	7,783
Net Pension Liability - IMRF	353,615	15,789	-	369,404	-
General Obligation Bonds	1,650,000	-	145,000	1,505,000	145,000
Special Assessment Bonds Payable	94,652	-	37,710	56,942	37,710
	<u>2,135,027</u>	<u>20,095</u>	<u>184,863</u>	<u>1,970,259</u>	<u>190,493</u>

For the governmental activities, payments on the compensated absences and the net pension liabilities are made by the General Fund. Payments on the debt certificates are being liquidated by the Land Acquisition Fund.

Additionally, for business-type activities, the compensated absences and net pension liability are generally liquidated by the Water and Sewer Maintenance Funds. The general obligation bonds are being liquidated by the Water and Sewer Maintenance Funds. The Water Fund makes payments on the special assessment bonds payable

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Debt		General Obligation	
	Certificates		Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 30,000	14,188	145,000	60,185
2019	30,000	12,964	150,000	55,037
2020	35,000	11,728	160,000	49,677
2021	35,000	10,272	85,000	43,390
2022	35,000	8,802	90,000	57,679
2023	40,000	7,323	95,000	36,560
2024	40,000	5,617	100,000	32,760
2025	45,000	3,901	105,000	28,760
2026	45,000	1,957	105,000	24,403
2027	-	-	110,000	20,045
2028	-	-	115,000	15,480
2029	-	-	120,000	10,535
2030	-	-	125,000	5,375
Totals	335,000	76,752	1,505,000	439,886

**Legal Debt Margin**

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."

Assessed Valuation - 2016	<u>\$ 205,826,066</u>
Legal Debt Limit - 8.625% of Assessed Value	17,752,498
Amount of Debt Applicable to Limit	<u>335,000</u>
Legal Debt Margin	<u>17,417,498</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND BALANCE/NET POSITION**

**Fund Balance Classifications**

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned, and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Assigned Fund Balance.* The Village reports assigned fund balance in the Fine Arts and Land Acquisition and Recreation Funds, both nonmajor funds. The Village’s Board/management has assigned these for future fines arts/land acquisition and recreation expenditures based on approved management expenditures as determined through the annual budget process.

*Minimum Fund Balance Policy.* The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	<u>General</u>	<u>Nonmajor</u>	<u>Totals</u>
Fund Balances			
Nonspendable			
Prepays	\$ 161,464	-	161,464
Restricted			
Special Events	897	-	897
Beautification	2,422	-	2,422
McCord	646	-	646
Highways and Streets	-	289,324	289,324
Capital Projects	-	127,786	127,786
Public Infrastructure Improvements	-	415,302	415,302
	<u>3,965</u>	<u>832,412</u>	<u>836,377</u>
Assigned			
Fine Arts	-	24,757	24,757
Land Acquisition and Recreation	-	8,635	8,635
	<u>-</u>	<u>33,392</u>	<u>33,392</u>
Unassigned	<u>1,152,948</u>	<u>(32,257)</u>	<u>1,120,691</u>
Total Fund Balances	<u>1,318,377</u>	<u>833,547</u>	<u>2,151,924</u>

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2017

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### FUND BALANCE/NET POSITION – Continued

##### Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,656,833
Less Capital Related Debt:	
Debt Certificates of 2006	<u>(335,000)</u>
Net Investment in Capital Assets	<u><u>4,321,833</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	18,490,746
Less Capital Related Debt:	
General Obligation Alternate Revenue Bonds of 2004	(110,000)
General Obligation Alternate Revenue Bonds of 2005	(105,000)
General Obligation Alternate Revenue Bonds of 2010	(1,290,000)
Special Assessment Bonds Payable	<u>(56,942)</u>
Net Investment in Capital Assets	<u><u>16,928,804</u></u>

### NOTE 4 – OTHER INFORMATION

#### CONTINGENT LIABILITIES

##### 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.

##### 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.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

##### RISK MANAGEMENT

###### Intergovernmental Risk Management Agency

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the government's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program.

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

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. Each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. 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's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

The Village is exposed to various risks of loss related to illnesses of employees. The Village has purchased commercial insurance for health claim risks. The monthly premiums are accounted for in the general fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years and there has not been any significant decrease in coverage over the past three fiscal years.

##### OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, there is minimal participation. As the Village provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Therefore, the Village has not recorded a liability as of April 30, 2017.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

##### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF; and the Police Pension Plan which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 8999 West 123<sup>rd</sup> Street, Palos Park, Illinois 60464. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### Illinois Municipal Retirement Fund (IMRF)

###### Plan Descriptions

*Plan Administration.* All employees (other than those covered by the Police Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits.

*Plan Membership.* As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

	IMRF	SLEP
Inactive Plan Members Currently Receiving Benefits	30	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	30	-
Active Plan Members	34	1
Totals	94 *	1

\*The IMRF employees above include the Palos Park Library.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Contributions.* As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary and SLEP Plan Members are required to contribute 7.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2016 was 12.94% of covered payroll for the Regular Plan and 17.08% for the SLEP Plan.

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

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

IMRF		SLEP	
Actuarial Cost Method	Entry Age Normal	Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market	Asset Valuation Method	Market
Actuarial Assumptions		Actuarial Assumptions	
Interest Rate	7.47%	Interest Rate	7.44%
Salary Increases	3.75% to 14.50%	Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%	Cost of Living Adjustments	2.75%
Inflation	2.75%	Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

###### Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both the Regular Plan and the SLEP Plan and in the prior valuation the discount rate was 7.47% and 7.44% for the Regular Plan and the SLEP Plan, respectively. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

###### Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50% for the Regular Plan and the SLEP Plan, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percentage lower or one percentage higher:

	IMRF		
	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability			
Village	\$ 2,184,261	1,222,952	424,806
Library	296,674	166,105	57,698
Totals	2,480,935	1,389,057	482,504
	SLEP		
	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 161,998	74,865	1,818

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Changes in the Net Pension Liability**

	IMRF			SLEP		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)	Total Pension Liability (1)	Plan Fiduciary Net Position (2)	Net Pension Liability (1) - (2)
Balances at December 31, 2015	\$ 8,293,916	6,919,983	1,373,933	644,237	557,152	87,085
Changes for the Year:						
Service Cost	188,788	-	188,788	22,956	-	22,956
Interest on the Total Pension Liability	609,681	-	609,681	48,785	-	48,785
Difference Between Expected and Actual Experience of the Total Pension Liability	150,764	-	150,764	(121,692)	-	(121,692)
Changes of Assumptions	(30,456)	-	(30,456)	(4,883)	-	(4,883)
Contributions - Employer	-	213,299	(213,299)	-	20,362	(20,362)
Contributions - Employees	-	74,642	(74,642)	-	8,941	(8,941)
Net Investment Income	-	472,600	(472,600)	-	40,231	(40,231)
Benefit Payments, including Refunds of Employee Contributions	(453,156)	(453,156)	-	-	-	-
Other (Net Transfer)	-	143,112	(143,112)	-	(112,148)	112,148
Net Changes	465,621	450,497	15,124	(54,834)	(42,614)	(12,220)
Balances at December 31, 2016	<u>8,759,537</u>	<u>7,370,480</u>	<u>1,389,057</u>	<u>589,403</u>	<u>514,538</u>	<u>74,865</u>
Village	7,652,391	6,429,439	1,222,952			
Library	<u>1,107,146</u>	<u>941,041</u>	<u>166,105</u>			
Totals	<u>8,759,537</u>	<u>7,370,480</u>	<u>1,389,057</u>			

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

For the year ended April 30, 2017, the Village recognized pension expense of \$192,237 for the regular plan and a pension revenue of \$125,126 for the SLEP Plan. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued**

	IMRF			SLEP		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 109,254	(15,710)	93,544	50,804	(88,961)	(38,157)
Change in Assumptions	4,132	(22,071)	(17,939)	1,615	(3,570)	(1,955)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	327,625	-	327,625	21,094	(1,241)	19,853
	441,011	(37,781)	403,230	73,513	(93,772)	(20,259)
Pension Contributions Made Subsequent to the Measurement Date	58,165	-	58,165	6,108	-	6,108
Total Deferred Amounts Related to IMRF/SLEP	499,176	(37,781)	461,395	79,621	(93,772)	(14,151)
Village	439,484	(33,263)	406,221			
Library	59,692	(4,518)	55,174			
Totals	499,176	(37,781)	461,395			

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

Fiscal Year	IMRF			SLEP
	Net Deferred Outflows of Resources			Net Deferred Outflows/(Inflows) of Resources
	Village	Library	Totals	
2018	\$ 115,846	15,735	131,581	(11,142)
2019	119,238	16,195	135,433	(11,142)
2020	111,903	15,199	127,102	(1,543)
2021	8,024	1,090	9,114	3,568
2022	-	-	-	-
Thereafter	-	-	-	-
Total	355,011	48,219	403,230	(20,259)

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan**

**Plan Descriptions**

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. The Police Pension Plan is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At April 30, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>7</u>
Total	<u><u>11</u></u>

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least 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 percent of the original pension and 3 percent compounded annually thereafter.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the Village's contribution was 31.82% of covered payroll.

*Concentrations* At year-end, the Police Pension Plan does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	5.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP-2014 CHBCA Mortality Table (BCHA) projected to 2017 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

##### Discount Rate

The discount rate used to measure the total pension liability was 6.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability	\$ 4,871,145	3,833,266	2,990,672

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 6,317,365	2,533,050	3,784,315
Changes for the Year:			
Service Cost	251,198	-	251,198
Interest on the Total Pension Liability	374,757	-	374,757
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	26,392	-	26,392
Changes of Assumptions	(218,530)	-	(218,530)
Contributions - Employer	-	200,000	(200,000)
Contributions - Employees	-	75,391	(75,391)
Net Investment Income	-	110,855	(110,855)
Benefit Payments, including Refunds of Employee Contributions	(142,868)	(142,868)	-
Other (Net Transfer)	-	(1,380)	1,380
Net Changes	290,949	241,998	48,951
Balances at April 30, 2017	6,608,314	2,775,048	3,833,266

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

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

For the year ended April 30, 2017, the Village recognized pension expense of \$508,536. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 112,926	-	112,926
Change in Assumptions	325,033	(186,858)	138,175
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	93,270	-	93,270
Total Deferred Amounts Related to Police Pension	531,229	(186,858)	344,371

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2018	\$ 112,509
2019	112,509
2020	112,508
2021	59,748
2022	(27,847)
Thereafter	(25,056)
Total	344,371

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - Police Pension Fund
  
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel
  - Police Pension Fund
  
- Schedule of Investment Returns
  - Police Pension Fund
  
- Budgetary Comparison Schedule
  - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 183,004	\$ 183,004	\$ -	\$ 1,419,733	12.89%
2017	Village 188,769 Library 25,639	187,792 25,507	(977) (132)	1,450,955 197,073	12.94% 12.94%
Totals	214,408	213,299	(1,109)	1,648,028	12.94%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 19,269	\$ 19,269	\$ -	\$ 116,504	16.54%
2017	20,362	20,362	-	119,217	17.08%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2014 (base year 2012)

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 175,000	\$ 175,000	\$ -	\$ 645,111	27.13%
2016	270,351	200,000	(70,351)	762,167	26.24%
2017	343,328	200,000	(143,328)	628,629	31.82%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Inflation	2.5%
Salary Increases	5.0
Investment Rate of Return	6.0
Retirement Age	50-70
Mortality	RP 2014 projected to 2017

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

## VILLAGE OF PALOS PARK, ILLINOIS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2017

	<u>2016</u>
Total Pension Liability	
Service Cost	\$ 181,160
Interest	588,818
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(36,646)
Change of Assumptions	9,638
Benefit Payments, Including Refunds of Member Contributions	<u>(460,752)</u>
Net Change in Total Pension Liability	282,218
Total Pension Liability - Beginning	<u>8,011,698</u>
Total Pension Liability - Ending	<u><u>8,293,916</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 209,915
Contributions - Members	83,557
Net Investment Income	34,452
Benefit Payments, Including Refunds of Member Contributions	(460,752)
Administrative Expense	<u>78,735</u>
Net Change in Plan Fiduciary Net Position	(54,093)
Plan Net Position - Beginning	<u>6,974,076</u>
Plan Net Position - Ending	<u><u>6,919,983</u></u>
Employer's Net Pension Obligation	<u><u>\$ 1,373,933</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.43%
Covered-Employee Payroll	\$ 1,419,733
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	96.77%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

2017		
Village	Library	Totals
166,212	22,576	188,788
536,775	72,906	609,681
-	-	-
390,587	(239,823)	150,764
(26,814)	(3,642)	(30,456)
(398,967)	(54,189)	(453,156)
667,793	(202,172)	465,621
6,984,598	1,309,318	8,293,916
7,652,391	1,107,146	8,759,537
187,792	25,507	213,299
65,716	8,926	74,642
416,086	56,514	472,600
(398,967)	(54,189)	(453,156)
125,998	17,114	143,112
396,625	53,872	450,497
6,032,814	887,169	6,919,983
6,429,439	941,041	7,370,480
1,222,952	166,105	1,389,057
84.02%	85.00%	84.14%
1,450,955	197,073	1,648,028
84.29%	84.29%	84.29%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Illinois Municipal Retirement Fund - Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2017**

	2016	2017
Total Pension Liability		
Service Cost	\$ 22,925	22,956
Interest	38,090	48,785
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	82,166	(121,692)
Change of Assumptions	2,613	(4,883)
Benefit Payments, Including Refunds of Member Contributions	-	-
Net Change in Total Pension Liability	145,794	(54,834)
Total Pension Liability - Beginning	498,443	644,237
Total Pension Liability - Ending	644,237	589,403
Plan Fiduciary Net Position		
Contributions - Employer	\$ 19,269	20,362
Contributions - Members	8,738	8,941
Net Investment Income	2,289	40,231
Benefit Payments, Including Refunds of Member Contributions	-	-
Administrative Expense	83,130	(112,148)
Net Change in Plan Fiduciary Net Position	113,426	(42,614)
Plan Net Position - Beginning	443,726	557,152
Plan Net Position - Ending	557,152	514,538
Employer's Net Pension Obligation	\$ 87,085	74,865
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.48%	87.30%
Covered-Employee Payroll	\$ 116,504	119,217
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	74.75%	62.80%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2017**

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 198,253	208,166	251,198
Interest	290,630	312,935	374,757
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	139,203	26,392
Change of Assumptions	-	500,727	(218,530)
Benefit Payments, Including Refunds of Member Contributions	(115,751)	(118,504)	(142,868)
Net Change in Total Pension Liability	373,132	1,042,527	290,949
Total Pension Liability - Beginning	4,901,706	5,274,838	6,317,365
Total Pension Liability - Ending	5,274,838	6,317,365	6,608,314
Plan Fiduciary Net Position			
Contributions - Employer	175,000	200,000	200,000
Contributions - Members	63,574	74,670	75,391
Net Investment Income	75,014	49,037	110,855
Benefit Payments, Including Refunds of Member Contributions	(115,751)	(118,504)	(142,868)
Administrative Expense	-	(1,642)	(1,380)
Net Change in Plan Fiduciary Net Position	197,837	203,561	241,998
Plan Net Position - Beginning	2,131,652	2,329,489	2,533,050
Plan Net Position - Ending	2,329,489	2,533,050	2,775,048
Employer's Net Pension Liability	2,945,349	3,784,315	3,833,266
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.16%	40.10%	41.99%
Covered-Employee Payroll	\$ 645,111	762,167	628,629
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	456.56%	496.52%	609.78%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2017**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.62%
2016	2.07%
2017	4.25%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
<b>Revenues</b>			
Taxes	\$ 2,087,987	1,916,050	2,026,927
Intergovernmental	1,324,299	1,240,777	1,141,231
Licenses and Permits	416,800	426,234	503,771
Charges for Services	263,900	219,006	163,568
Fines and Forfeitures	121,045	74,844	100,547
Interest	5,000	16,636	4,187
Miscellaneous	434,841	435,821	477,558
Total Revenues	<u>4,653,872</u>	<u>4,329,368</u>	<u>4,417,789</u>
<b>Expenditures</b>			
General Government	839,294	661,854	870,967
Public Safety	2,163,030	2,160,873	2,208,292
Public Works	527,506	503,033	509,177
Building and Public Grounds	438,975	433,383	453,257
Culture and Recreation	628,892	503,929	503,366
Capital Outlay	-	46,909	33,343
Total Expenditures	<u>4,597,697</u>	<u>4,309,981</u>	<u>4,578,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>56,175</u>	<u>19,387</u>	<u>(160,613)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	80,000
Disposal of Capital Assets	-	-	5,218
Transfers Out	(56,175)	(46,737)	(157,231)
	<u>(56,175)</u>	<u>(46,737)</u>	<u>(72,013)</u>
Net Change in Fund Balance	<u>-</u>	(27,350)	(232,626)
Fund Balance - Beginning		<u>1,345,727</u>	<u>1,578,353</u>
Fund Balance - Ending		<u>1,318,377</u>	<u>1,345,727</u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Major Enterprise Funds
- Budgetary Comparison Schedule – Nonmajor Enterprise Fund
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statement – Agency Funds

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided from the Village's share of gasoline taxes.

### **Police Forfeiture Fund**

The Police Forfeiture Fund is used to account for seized assets confiscated by the Palos Park Police Department. These resources, which are restricted by federal regulations, can help finance specific police expenditures related to education, interdiction and training focused on the reduction of substance abuse.

### **Exaction Fee Fund**

The Exaction Fee Fund is used to account for charges for construction (and the impact of construction) that offset costs carried by the Village and other taxing bodies because of increased demand for services. Exaction fees received are intended to be spent on debt service related to transportation or recreation improvements. The Village, however, also receives exaction fees to support both grammar and high schools and the library. Fees received are forwarded directly to these organizations annually.

### **Fine Arts Fund**

The Fine Arts Fund is used to account for a Fine Arts Committee, which is generally self-sufficient in operation. Fine Arts activities provide residents with meaningful, celebrated events related to the Arts and Humanities.

### **Land Acquisition and Recreation Fund**

The Land Acquisition and Recreation Fund is used to account for the acquisition and preservation of open lands that enhance the natural setting.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by proprietary funds.

### **Capital Improvements Fund**

The Capital Improvements Fund is used to account for significant capital improvements such as street reconstruction, central water and sewer undertakings, Village Green and municipal building renovations, and other major projects that enhance community life within the Village and surrounds.

### **1/2% Sales Tax Fund**

The 1/2% Sales Tax Fund is used to account for the proceeds of non-home rule sales tax.

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## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### **Water Fund**

The Water Fund is used to account for the provisions of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection.

### **Sewer Maintenance Fund**

The Sewer Maintenance Fund is used to account for the provisions of sanitary sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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## **ENTERPRISE FUNDS – Continued**

### **Refuse and Recycling Fund**

The Refuse and Recycling Fund is used to account for the provisions of refuse and recycling services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt services and billing and collection.

### **Commuter Parking Lot Fund**

The Commuter Parking Lot Fund is used to account for the provisions of public parking services. All activities are accounted for in this fund, including, but not limited to, administration, operations, capital construction, financing, and revenue collection.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **AGENCY FUNDS**

#### **Special Assessment Funds**

The Special Assessment Funds are used to account for the accumulation of resources and payment of principal and interest on non-commitment special assessment bonds.

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**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16 Actual
	Original and Final Budget	Actual	
<b>Taxes</b>			
Property Taxes	\$ 1,431,587	1,311,952	1,311,982
Utility Taxes	475,700	442,015	442,551
Other Taxes	180,700	162,083	272,394
Total Taxes	<u>2,087,987</u>	<u>1,916,050</u>	<u>2,026,927</u>
<b>Intergovernmental</b>			
State Income Tax	494,394	458,162	516,556
Sales Tax	828,905	782,615	624,675
Other	1,000	-	-
Total Intergovernmental	<u>1,324,299</u>	<u>1,240,777</u>	<u>1,141,231</u>
Licenses and Permits	<u>416,800</u>	<u>426,234</u>	<u>503,771</u>
Charges for Services	<u>263,900</u>	<u>219,006</u>	<u>163,568</u>
Fines and Forfeitures	<u>121,045</u>	<u>74,844</u>	<u>100,547</u>
Interest	<u>5,000</u>	<u>16,636</u>	<u>4,187</u>
<b>Miscellaneous</b>			
Fees by Agreement	264,316	245,002	269,201
Miscellaneous	170,525	190,819	208,357
Total Miscellaneous	<u>434,841</u>	<u>435,821</u>	<u>477,558</u>
Total Revenues	<u><u>4,653,872</u></u>	<u><u>4,329,368</u></u>	<u><u>4,417,789</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended April 30, 2017**

**(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17			4/30/16 Actual
	Original and Final Budget	Actual		
<b>General Government</b>				
<b>Administration</b>				
Wages	\$ 292,823	287,599		283,708
Benefits	72,072	70,521		83,485
Insurance	6,578	3,850		4,502
Legal Fees	55,000	47,147		63,482
Consultants, Engineers and Planners	5,000	5,934		17,608
Other Contractual Services	47,500	47,078		46,275
Commodities	40,700	42,976		45,039
<b>Public Affairs</b>				
Insurance	628	327		400
Legal Fees	250,000	121,399		290,652
Consultants, Engineers and Planners	50,000	12,323		-
Other Contractual Services	7,850	23,124		7,162
Commodities	6,200	2,852		7,845
<b>Finance</b>				
Wages	97,937	82,053		80,897
Benefits	25,730	22,860		22,036
Insurance	2,195	1,283		1,260
Legal Fees	-	2,014		-
Consultants, Engineers and Planners	42,330	48,419		42,111
Commodities	2,539	3,216		1,640
<b>Other</b>				
Other Contractual Services	2,900	6,067		5,854
Commodities	500	-		11,199
	<u>1,008,482</u>	<u>831,042</u>		<u>1,015,155</u>
Less Administrative Charges	(169,188)	(169,188)		(144,188)
<b>Total General Government</b>	<u>839,294</u>	<u>661,854</u>		<u>870,967</u>
<b>Public Safety</b>				
Wages	1,364,581	1,319,448		1,372,238
Benefits	460,891	437,923		511,200
Insurance	25,688	67,395		26,274
Legal Fees	25,000	20,300		23,563

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended April 30, 2017**

**(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16 Actual
	Original and Final Budget	Actual	
<b>Public Safety - Continued</b>			
Other Contractual Services	\$ 183,270	226,318	185,096
Commodities	103,600	89,489	89,921
<b>Total Public Safety</b>	<b>2,163,030</b>	<b>2,160,873</b>	<b>2,208,292</b>
<b>Public Works</b>			
Wages	256,687	238,359	228,011
Benefits	76,279	89,289	91,699
Insurance	6,890	4,033	9,743
Legal Fees	1,500	103	1,686
Consultants, Engineers and Planners	2,000	-	-
Other Contractual Services	144,400	136,011	144,796
Commodities	39,750	35,238	33,242
<b>Total Public Works</b>	<b>527,506</b>	<b>503,033</b>	<b>509,177</b>
<b>Building and Public Grounds</b>			
<b>Building</b>			
Wages	172,662	167,617	170,786
Benefits	41,026	40,346	42,506
Insurance	3,445	2,017	1,980
Legal Fees	18,000	49,822	32,165
Consultants, Engineers and Planners	20,500	19,238	18,891
Other Contractual Services	19,800	26,905	19,373
Commodities	10,050	5,500	5,494
<b>Public Grounds</b>			
Insurance	1,880	1,100	1,080
Other Contractual Services	100,272	97,655	146,814
Commodities	51,340	23,183	14,168
<b>Total Building and Public Grounds</b>	<b>438,975</b>	<b>433,383</b>	<b>453,257</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended April 30, 2017**

**(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original Budget	Actual	Actual
<b>Culture and Recreation</b>			
Recreation			
Wages	\$ 299,555	241,127	232,614
Benefits	72,111	48,389	66,985
Insurance	5,015	2,933	3,446
Legal Fees	2,150	2,499	226
Other Contractual Services	95,750	91,465	100,715
Commodities	69,395	36,960	34,285
Festivals			
Other Contractual Services	63,150	70,719	57,222
Commodities	21,766	9,837	7,873
Total Culture and Recreation	628,892	503,929	503,366
<b>Capital Outlay</b>			
General Government	-	-	7,552
Building and Public Grounds	-	50,366	-
Recreation	-	(3,457)	25,791
Total Capital Outlay	-	46,909	33,343
Total Expenditures	4,597,697	4,309,981	4,578,402

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2017**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 319,670	511,898	831,568
Receivables - Net of Allowances			
Other Taxes	-	39,718	39,718
Due from Other Governments	10,613	-	10,613
Total Assets	330,283	551,616	881,899
<b>LIABILITIES</b>			
Accounts Payable	7,567	8,528	16,095
Due to Other Funds	32,257	-	32,257
Total Liabilities	39,824	8,528	48,352
<b>FUND BALANCES</b>			
Restricted	289,324	543,088	832,412
Assigned	33,392	-	33,392
Unassigned	(32,257)	-	(32,257)
Total Fund Balances	290,459	543,088	833,547
Total Liabilities and Fund Balances	330,283	551,616	881,899

# VILLAGE OF PALOS PARK, ILLINOIS

## Nonmajor Governmental Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2017

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ -	194,529	194,529
Intergovernmental	122,854	-	122,854
Fines and Forfeitures	10,711	-	10,711
Interest	1,327	2,767	4,094
Miscellaneous	23,921	1,208	25,129
Total Revenues	158,813	198,504	357,317
Expenditures			
Public Safety	11,202	-	11,202
Public Works	41,333	-	41,333
Building and Grounds	-	108,129	108,129
Culture and Recreation	9,402	-	9,402
Capital Outlay	52,326	91,265	143,591
Debt Service			
Principal Retirement	30,000	-	30,000
Interest and Fiscal Charges	16,175	-	16,175
Total Expenditures	160,438	199,394	359,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,625)	(890)	(2,515)
Other Financing Sources (Uses)			
Transfers In	46,175	10,000	56,175
Transfers Out	(9,438)	-	(9,438)
	36,737	10,000	46,737
Net Change in Fund Balances	35,112	9,110	44,222
Fund Balances - Beginning	255,347	533,978	789,325
Fund Balances - Ending	290,459	543,088	833,547

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2017**

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	Motor Fuel Tax	Police Forfeiture	Exaction Fee	Fine Arts	Land Acquisition and Recreation	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 286,278	-	-	24,757	8,635	319,670
Due from Other Governments	10,613	-	-	-	-	10,613
Total Assets	296,891	-	-	24,757	8,635	330,283
<b>LIABILITIES</b>						
Accounts Payable	7,567	-	-	-	-	7,567
Due to Other Funds	-	32,257	-	-	-	32,257
Total Liabilities	7,567	32,257	-	-	-	39,824
<b>FUND BALANCES</b>						
Restricted	289,324	-	-	-	-	289,324
Assigned	-	-	-	24,757	8,635	33,392
Unsigned	-	(32,257)	-	-	-	(32,257)
Total Fund Balances	289,324	(32,257)	-	24,757	8,635	290,459
Total Liabilities and Fund Balances	296,891	-	-	24,757	8,635	330,283

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**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2017**

	Motor Fuel Tax	Police Forfeiture	Exaction Fee	Fine Arts	Land Acquisition and Recreation	Totals
<b>Revenues</b>						
Intergovernmental	\$ 122,854	-	-	-	-	122,854
Fines and Forfeitures	-	10,711	-	-	-	10,711
Interest	1,302	23	-	2	-	1,327
Miscellaneous	-	1,745	9,438	12,738	-	23,921
<b>Total Revenues</b>	<b>124,156</b>	<b>12,479</b>	<b>9,438</b>	<b>12,740</b>	<b>-</b>	<b>158,813</b>
<b>Expenditures</b>						
Public Safety	-	11,202	-	-	-	11,202
Public Works	41,333	-	-	-	-	41,333
Culture and Recreation	-	-	-	9,402	-	9,402
Capital Outlay	-	52,326	-	-	-	52,326
Debt Service						
Principal Retirement	-	-	-	-	30,000	30,000
Interest and Fiscal Charges	-	-	-	-	16,175	16,175
<b>Total Expenditures</b>	<b>41,333</b>	<b>63,528</b>	<b>-</b>	<b>9,402</b>	<b>46,175</b>	<b>160,438</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>82,823</b>	<b>(51,049)</b>	<b>9,438</b>	<b>3,338</b>	<b>(46,175)</b>	<b>(1,625)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	46,175	46,175
Transfers Out	-	-	(9,438)	-	-	(9,438)
	-	-	(9,438)	-	46,175	36,737
<b>Net Change in Fund Balances</b>	<b>82,823</b>	<b>(51,049)</b>	<b>-</b>	<b>3,338</b>	<b>-</b>	<b>35,112</b>
<b>Fund Balances - Beginning</b>	<b>206,501</b>	<b>18,792</b>	<b>-</b>	<b>21,419</b>	<b>8,635</b>	<b>255,347</b>
<b>Fund Balances - Ending</b>	<b>289,324</b>	<b>(32,257)</b>	<b>-</b>	<b>24,757</b>	<b>8,635</b>	<b>290,459</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	<u>4/30/17</u>		<u>4/30/16</u>
	Original and Final Budget	Actual	Actual
<b>Revenues</b>			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 125,537	122,854	123,981
Interest	100	1,302	244
Total Revenues	<u>125,637</u>	<u>124,156</u>	<u>124,225</u>
<b>Expenditures</b>			
Public Works			
Commodities	126,375	41,333	72,348
Services	3,000	-	-
Capital Outlay	100,000	-	101,500
Total Expenditures	<u>229,375</u>	<u>41,333</u>	<u>173,848</u>
Net Change in Fund Balance	<u>(103,738)</u>	82,823	(49,623)
Fund Balance - Beginning		<u>206,501</u>	<u>256,124</u>
Fund Balance - Ending		<u>289,324</u>	<u>206,501</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Forfeiture - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Revenues			
Fines and Forfeitures	\$ -	10,711	5,714
Interest	250	23	200
Miscellaneous	-	1,745	2,852
Total Revenues	<u>250</u>	<u>12,479</u>	<u>8,766</u>
Expenditures			
Public Safety			
Commodities	3,200	2,690	7,814
Services	-	8,512	16,895
Capital Outlay	63,900	52,326	39,079
Total Expenditures	<u>67,100</u>	<u>63,528</u>	<u>63,788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,850)	(51,049)	(55,022)
Other Financing (Uses)			
Transfers Out	-	-	(50,000)
Net Change in Fund Balance	<u>(66,850)</u>	(51,049)	(105,022)
Fund Balance - Beginning		<u>18,792</u>	<u>123,814</u>
Fund Balance - Ending		<u>(32,257)</u>	<u>18,792</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Land Acquisition and Recreation - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	30,000	30,000	30,000
Interest and Fiscal Charges	16,175	16,175	17,366
Total Expenditures	46,175	46,175	47,366
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,175)	(46,175)	(47,366)
Other Financing Sources			
Transfers In	46,175	46,175	46,588
Net Change in Fund Balance	-	-	(778)
Fund Balance - Beginning		8,635	9,413
Fund Balance - Ending		8,635	8,635

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2017**

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	<u>Capital</u>	<u>1/2% Sales</u>	
	<u>Improvements</u>	<u>Tax</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and Investments	\$ 127,786	384,112	511,898
Receivables - Net of Allowances			
Sales Tax	-	39,718	39,718
Total Assets	<u>127,786</u>	<u>423,830</u>	<u>551,616</u>
<b>LIABILITES</b>			
Accounts Payable	-	8,528	8,528
<b>FUND BALANCES</b>			
Restricted	<u>127,786</u>	<u>415,302</u>	<u>543,088</u>
Total Liabilities and Fund Balances	<u>127,786</u>	<u>423,830</u>	<u>551,616</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2017**

	Capital Improvements	1/2% Sales Tax	Totals
Revenues			
Taxes	\$ -	194,529	194,529
Interest	827	1,940	2,767
Miscellaneous		1,208	1,208
Total Revenues	<u>827</u>	<u>197,677</u>	<u>198,504</u>
Expenditures			
Building and Grounds	107,004	1,125	108,129
Capital Outlay	-	91,265	91,265
Total Expenditures	<u>107,004</u>	<u>92,390</u>	<u>199,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,177)	105,287	(890)
Other Financing Sources			
Transfers In	<u>10,000</u>	-	<u>10,000</u>
Net Change in Fund Balances	(96,177)	105,287	9,110
Fund Balances - Beginning	<u>223,963</u>	<u>310,015</u>	<u>533,978</u>
Fund Balances - Ending	<u><u>127,786</u></u>	<u><u>415,302</u></u>	<u><u>543,088</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Capital Improvements - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Revenues			
Interest	\$ -	827	486
Expenditures			
Building and Grounds	10,000	107,004	231,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(106,177)	(231,211)
Other Financing Sources			
Transfers In	10,000	10,000	20,000
Net Change in Fund Balance	-	(96,177)	(211,211)
Fund Balance - Beginning		223,963	435,174
Fund Balance - Ending		127,786	223,963

**VILLAGE OF PALOS PARK, ILLINOIS**

**1/2% Sales Tax - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 170,000	194,529	165,167
Interest	-	1,940	422
Miscellaneous	-	1,208	-
Total Revenues	<u>170,000</u>	<u>197,677</u>	<u>165,589</u>
Expenditures			
Building and Grounds			
Services	-	-	1,000
Commodities	3,500	1,125	2,862
Capital Outlay	200,000	91,265	226,010
Debt Service			
Principal Retirement	-	-	3,921
Interest and Fiscal Charges	-	-	83
Total Expenditures	<u>203,500</u>	<u>92,390</u>	<u>233,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,500)	105,287	(68,287)
Other Financing Sources			
Transfers In	-	-	100,000
Net Change in Fund Balance	<u>(33,500)</u>	105,287	31,713
Fund Balance - Beginning		<u>310,015</u>	<u>278,302</u>
Fund Balance - Ending		<u>415,302</u>	<u>310,015</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Water - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 1,765,220	1,848,555	1,871,473
Sale of Water Meters	4,000	7,576	5,190
Miscellaneous	1,200	7,424	2,112
Total Operating Revenues	<u>1,770,420</u>	<u>1,863,555</u>	<u>1,878,775</u>
Operating Expenses			
Personnel	495,786	477,364	493,316
Commodities	139,900	60,299	98,028
Water Purchases	650,000	673,868	663,441
Services	360,862	164,588	219,842
Capital Outlay	201,500	392,516	109,401
Total Operating Expenses	<u>1,848,048</u>	<u>1,768,635</u>	<u>1,584,028</u>
Operating Income (Loss)	<u>(77,628)</u>	<u>94,920</u>	<u>294,747</u>
Nonoperating Revenues (Expenses)			
Interest Income	150	976	409
Rental Income	27,191	19,867	29,392
Tap-On Fees	4,000	29,896	2,803
Principal Retirement	(143,510)	(144,474)	(140,531)
Interest Expense	(65,947)	(64,897)	(85,921)
	<u>(178,116)</u>	<u>(158,632)</u>	<u>(193,848)</u>
Income (Loss) Before Transfers	(255,744)	(63,712)	100,899
Transfers Out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
Income (Loss) Before GAAP Adjustments	<u>(285,744)</u>	(93,712)	70,899
Principal Retirement		144,474	140,531
Capitalized Assets		126,683	46,410
Depreciation		<u>(494,965)</u>	<u>(483,713)</u>
Change in Net Position		(317,520)	(225,873)
Net Position - Beginning		<u>10,618,781</u>	<u>10,844,654</u>
Net Position - Ending		<u>10,301,261</u>	<u>10,618,781</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Sewer Maintenance - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 517,580	470,128	469,481
Miscellaneous	400	750	989
Total Operating Revenues	<u>517,980</u>	<u>470,878</u>	<u>470,470</u>
Operating Expenses			
Personnel	180,295	174,985	172,379
Commodities	64,500	20,258	22,402
Services	178,886	82,058	138,116
Capital Outlay	32,500	44,255	32,979
Total Operating Expenses	<u>456,181</u>	<u>321,556</u>	<u>365,876</u>
Operating Income	<u>61,799</u>	<u>149,322</u>	<u>104,594</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	347	155
Tap-On Fees	-	31,450	6,373
Principal Retirement	(39,200)	(38,236)	(41,160)
Interest Expense	(7,124)	(6,659)	(7,683)
	<u>(46,324)</u>	<u>(13,098)</u>	<u>(42,315)</u>
Income Before Transfers	15,475	136,224	62,279
Transfers In	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Income Before GAAP Adjustments	<u><u>45,475</u></u>	166,224	92,279
Principal Retirement		38,236	41,160
Capitalized Assets		20,070	86,252
Depreciation		<u>(473,773)</u>	<u>(483,807)</u>
Change in Net Position		(249,243)	(264,116)
Net Position - Beginning		<u>9,577,193</u>	<u>9,841,309</u>
Net Position - Ending		<u><u>9,327,950</u></u>	<u><u>9,577,193</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Refuse and Recycling - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16 Actual
	Original and Final Budget	Actual	
Operating Revenues			
Charges for Services	\$ 330,000	345,398	339,892
Operating Expenses			
Services	330,000	354,417	316,838
Income (Loss) Before Transfers	-	(9,019)	23,054
Transfers Out	-	-	(30,000)
Change in Net Position	<u>-</u>	(9,019)	(6,946)
Net Position - Beginning		<u>(2,957)</u>	3,989
Net Position - Ending		<u>(11,976)</u>	<u>(2,957)</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Commuter Parking Lot - Nonmajor Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2017  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16 Actual
	Original and Final Budget	Actual	
Operating Revenues			
Charges for Services	\$ 90,000	101,901	97,095
Operating Expenses			
Commodities	20,000	21,144	22,159
Services	68,790	60,604	59,531
Total Operating Expenses	88,790	81,748	81,690
Operating Income	1,210	20,153	15,405
Nonoperating Revenues			
Interest Income	100	221	187
Income Before GAAP Adjustments	<u>1,310</u>	20,374	15,592
Depreciation		(1,000)	-
Change in Net Position		19,374	15,592
Net Position - Beginning		61,262	45,670
Net Position - Ending		<u>80,636</u>	<u>61,262</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension - Pension Trust Fund**

**Schedule of Changes in Fiduciary Net Position - Budget and Actual**

**For the Fiscal Year Ended April 30, 2017**

**(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2016)**

	4/30/17		4/30/16
	Original and Final Budget	Actual	Actual
<b>Additions</b>			
Contributions - Employer	\$ 200,000	200,000	200,000
Contributions - Plan Members	69,850	75,391	74,670
<b>Total Contributions</b>	<b>269,850</b>	<b>275,391</b>	<b>274,670</b>
<b>Investment Income</b>			
Interest Earned	50,000	103,120	58,215
Net Change in Fair Value	-	16,974	-
	50,000	120,094	58,215
Less Investment Expenses	(10,000)	(9,239)	(9,178)
<b>Net Investment Income</b>	<b>40,000</b>	<b>110,855</b>	<b>49,037</b>
<b>Total Additions</b>	<b>309,850</b>	<b>386,246</b>	<b>323,707</b>
<b>Deductions</b>			
Administration	-	1,380	1,642
Benefits and Refunds	113,350	142,868	118,504
<b>Total Deductions</b>	<b>113,350</b>	<b>144,248</b>	<b>120,146</b>
<b>Change in Fiduciary Net Position</b>	<b>196,500</b>	<b>241,998</b>	<b>203,561</b>
<b>Net Position Restricted for Pensions</b>			
Beginning		2,533,050	2,329,489
Ending		2,775,048	2,533,050

**VILLAGE OF PALOS PARK, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2017**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,351,704	3,319	462,532	1,892,491
<b>LIABILITIES</b>				
Due to Bondholders	2,351,704	3,319	462,532	1,892,491
<b>Special Assessment Fund #9</b>				
<b>ASSETS</b>				
Cash and Investments	121,540	616	-	122,156
<b>LIABILITIES</b>				
Due to Bondholders	121,540	616	-	122,156
<b>Special Assessment Fund #11</b>				
<b>ASSETS</b>				
Cash and Investments	92,142	467	-	92,609
<b>LIABILITIES</b>				
Due to Bondholders	92,142	467	-	92,609
<b>Special Assessment Fund #12</b>				
<b>ASSETS</b>				
Cash and Investments	182,812	928	-	183,740
<b>LIABILITIES</b>				
Due to Bondholders	182,812	928	-	183,740
<b>Special Assessment Fund #93-1</b>				
<b>ASSETS</b>				
Cash and Investments	559,778	1,308	-	561,086
<b>LIABILITIES</b>				
Due to Bondholders	559,778	1,308	-	561,086

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Special Assessment Fund #96-1A</b>				
<b>ASSETS</b>				
Cash and Investments	465,025	-	263,042	201,983
<b>LIABILITIES</b>				
Due to Bondholders	465,025	-	263,042	201,983
<b>Special Assessment Fund #96-1B</b>				
<b>ASSETS</b>				
Cash and Investments	209,460	-	41,346	168,114
<b>LIABILITIES</b>				
Due to Bondholders	209,460	-	41,346	168,114
<b>Special Assessment Fund #13A</b>				
<b>ASSETS</b>				
Cash and Investments	239,412	-	38,602	200,810
<b>LIABILITIES</b>				
Due to Bondholders	239,412	-	38,602	200,810
<b>Special Assessment Fund #13B</b>				
<b>ASSETS</b>				
Cash and Investments	481,535	-	119,542	361,993
<b>LIABILITIES</b>				
Due to Bondholders	481,535	-	119,542	361,993

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2004  
April 30, 2017**

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Date of Issue	November 4, 2004
Date of Maturity	December 1, 2019
Authorized Issue	\$450,000
Denomination of Bonds	\$5,000
Interest Rates	1.80% - 4.10%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	BNY Mellon, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2018	\$ 35,000	4,405	39,405
2019	35,000	3,040	38,040
2020	40,000	1,640	41,640
	<u>110,000</u>	<u>9,085</u>	<u>119,085</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2005  
April 30, 2017**

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Date of Issue	November 4, 2005
Date of Maturity	December 1, 2019
Authorized Issue	\$450,000
Denomination of Bonds	\$5,000
Interest Rates	3.10% - 4.05%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	BNY Mellon, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2018	\$ 35,000	4,200	39,200
2019	35,000	2,817	37,817
2020	35,000	1,417	36,417
	<u>105,000</u>	<u>8,434</u>	<u>113,434</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2010  
April 30, 2017**

Date of Issue	May 25, 2010
Date of Maturity	December 1, 2029
Authorized Issue	\$1,750,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% - 4.30%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	BNY Mellon, Chicago IL

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2018	\$ 75,000	51,580	126,580
2019	80,000	49,180	129,180
2020	85,000	46,620	131,620
2021	85,000	43,390	128,390
2022	90,000	40,160	130,160
2023	95,000	36,560	131,560
2024	100,000	32,760	132,760
2025	105,000	28,760	133,760
2026	105,000	24,403	129,403
2027	110,000	20,045	130,045
2028	115,000	15,480	130,480
2029	120,000	10,535	130,535
2030	125,000	5,375	130,375
	<u>1,290,000</u>	<u>404,848</u>	<u>1,694,848</u>

## VILLAGE OF PALOS PARK, ILLINOIS

### Long-Term Debt Requirements

#### Debt Certificates of 2006

April 30, 2017

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Date of Issue	October 26, 2006
Date of Maturity	December 1, 2025
Authorized Issue	\$570,000
Denomination of Bonds	\$5,000
Interest Rates	3.60% - 4.35%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	BNY Mellon, Chicago IL

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 30,000	14,188	44,188
2019	30,000	12,964	42,964
2020	35,000	11,728	46,728
2021	35,000	10,272	45,272
2022	35,000	8,802	43,802
2023	40,000	7,323	47,323
2024	40,000	5,617	45,617
2025	45,000	3,901	48,901
2026	45,000	1,957	46,957
	<u>335,000</u>	<u>76,752</u>	<u>411,752</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

#### Operating Information

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
April 30, 2017 (Unaudited)**

	2008	2009	2010	2011
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 3,151,308	3,292,655	3,273,865	3,466,820
Restricted	122,866	127,819	191,552	841,928
Unrestricted	1,532,600	1,351,511	1,390,918	1,719,120
<b>Total Governmental     Activities Net Position</b>	<b>4,806,774</b>	<b>4,771,985</b>	<b>4,856,335</b>	<b>6,027,868</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	21,036,524	21,891,367	22,337,788	20,857,596
Unrestricted	1,807,134	1,616,093	803,652	1,993,789
<b>Total Business-Type     Activities Net Position</b>	<b>22,843,658</b>	<b>23,507,460</b>	<b>23,141,440</b>	<b>22,851,385</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	24,187,832	25,184,022	25,611,653	24,324,416
Restricted	122,866	127,819	191,552	841,928
Unrestricted	3,339,734	2,967,604	2,194,570	3,712,909
<b>Total Primary Government     Net Position</b>	<b>27,650,432</b>	<b>28,279,445</b>	<b>27,997,775</b>	<b>28,879,253</b>

Data Source: Audited Financial Statements

2012	2013	2014	2015	2016	2017
3,585,298	3,833,183	4,026,741	4,072,934	4,247,176	4,321,833
1,202,700	1,300,144	1,285,489	1,370,146	1,035,595	836,377
1,584,791	1,427,640	1,312,363	1,142,238	(2,891,941)	(3,043,625)
6,372,789	6,560,967	6,624,593	6,585,318	2,390,830	2,114,585
20,116,269	19,433,528	18,781,396	18,200,951	17,547,723	16,928,804
2,355,704	2,531,844	2,735,861	2,747,702	2,706,556	2,769,067
22,471,973	21,965,372	21,517,257	20,948,653	20,254,279	19,697,871
23,701,567	23,266,711	22,808,137	22,273,885	21,794,899	21,250,637
1,202,700	1,300,144	1,285,489	1,370,146	1,035,595	836,377
3,940,495	3,959,484	4,048,224	3,889,940	(185,385)	(274,558)
28,844,762	28,526,339	28,141,850	27,533,971	22,645,109	21,812,456

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 1,581,849	1,582,287	1,374,284	1,243,199	1,493,087	1,255,154	1,248,865	1,082,473	1,025,499	721,192
Public Safety	1,946,030	1,926,213	1,873,156	1,861,070	1,930,667	2,076,275	2,084,277	2,113,476	2,698,289	2,634,989
Public Works	676,962	530,728	578,961	537,325	637,683	480,874	742,048	1,000,130	1,393,134	1,074,170
Cultural and Recreation	312,111	331,727	309,727	280,567	296,926	364,858	565,181	483,981	562,906	516,908
Solid Waste	245,040	252,592	263,727	276,741	286,300	-	-	-	-	-
Interest on Long-Term Debt	123,393	102,709	76,830	55,392	49,317	43,988	35,460	24,007	16,953	15,671
Total Governmental Activities Expenses	4,885,385	4,726,256	4,476,685	4,254,294	4,693,980	4,221,149	4,675,831	4,704,067	5,696,781	4,962,930
<b>Business-Type Activities</b>										
Water and Sanitary Sewer	2,035,159	2,324,354	2,381,382	2,474,221	2,554,123	2,868,890	2,929,994	2,877,825	2,878,366	2,983,732
Refuse and Recycling	-	-	-	-	-	296,803	303,759	310,069	316,838	354,417
Commuter Lot	72,197	106,159	72,485	76,703	70,087	86,729	90,762	80,204	81,690	82,748
Total Business-Type Activities Expenses	2,107,356	2,430,513	2,453,867	2,550,924	2,624,210	3,252,422	3,324,515	3,268,098	3,276,894	3,420,897
Total Primary Government Expenses	6,992,741	7,156,769	6,930,552	6,805,218	7,318,190	7,473,571	8,000,346	7,972,165	8,973,675	8,383,827
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	833,448	625,524	529,574	697,717	708,470	711,316	651,345	500,102	503,771	426,234
Public Safety	261,094	229,111	319,211	843,639	75,920	124,343	148,039	184,911	106,261	85,555
Public Works	2,884	-	4,500	9,852	12,530	12,583	11,174	-	-	-
Cultural and Recreation	226,646	188,003	172,160	161,816	157,271	171,763	187,498	144,435	163,568	219,006
Solid Waste	245,708	256,041	274,995	303,628	314,705	-	-	-	-	-
Operating Grants/Contributions	159,700	189,263	128,535	154,832	274,280	202,430	331,191	145,937	123,981	122,854
Capital Grants/Contributions	-	20,000	14,020	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	1,729,480	1,507,942	1,442,995	2,171,484	1,543,176	1,222,435	1,329,247	975,385	897,581	853,649
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Water and Sanitary Sewer	1,079,585	1,299,481	1,930,305	2,168,890	2,155,904	2,360,503	2,445,317	2,279,851	2,349,245	2,334,433
Refuse and Recycling	-	-	-	-	-	322,194	328,314	334,112	339,892	345,398
Commuter Lot	92,739	92,038	82,303	82,105	86,417	87,093	87,443	88,986	97,095	101,901
Operating and Capital Grants	-	-	-	2,358	-	-	-	-	-	-
Capital Grants and Contributions	2,231,197	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	3,403,521	1,391,519	2,012,608	2,253,353	2,242,321	2,769,790	2,861,074	2,702,949	2,786,232	2,781,732
Total Primary Government Program Revenues	5,133,001	2,899,461	3,455,603	4,424,837	3,785,497	3,992,225	4,190,321	3,678,334	3,683,813	3,635,381

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (3,155,905)	(3,218,314)	(3,033,690)	(2,082,810)	(3,150,804)	(2,998,714)	(3,346,584)	(3,728,682)	(4,799,200)	(4,109,281)
Business-Type Activities	1,296,165	(1,038,994)	(441,259)	(297,571)	(381,889)	(482,632)	(463,441)	(565,149)	(490,662)	(639,165)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(1,859,740)</b>	<b>(4,257,308)</b>	<b>(3,474,949)</b>	<b>(2,380,381)</b>	<b>(3,532,693)</b>	<b>(3,481,346)</b>	<b>(3,810,025)</b>	<b>(4,293,831)</b>	<b>(5,289,862)</b>	<b>(4,748,446)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes</b>										
Property	956,234	1,014,455	1,053,410	1,179,055	1,232,400	1,206,448	1,212,953	1,259,952	1,311,982	1,311,952
Sales	890,588	943,390	858,847	785,862	836,166	855,009	846,009	819,655	789,842	977,144
Income	395,205	431,732	427,237	372,418	365,586	393,386	436,814	472,322	516,556	458,162
Utility	558,092	603,983	620,803	554,177	547,238	535,051	507,016	525,275	442,551	442,015
Other	147,006	151,077	152,995	179,842	239,702	243,637	233,195	236,261	272,394	162,083
Investment Income	90,893	65,619	30,646	5,403	13,018	14,298	6,034	(2,121)	5,543	20,730
Miscellaneous	59,050	80,661	39,587	41,283	20,233	29,815	39,355	51,790	524,000	460,950
Gain on Sale of Capital Assets	-	-	-	-	-	113,971	1,406	7,966	-	-
Transfers	-	-	-	-	-	4,110	4,110	39,110	30,000	-
<b>Total Governmental Activities</b>	<b>3,097,068</b>	<b>3,290,917</b>	<b>3,183,525</b>	<b>3,118,040</b>	<b>3,254,343</b>	<b>3,395,725</b>	<b>3,286,892</b>	<b>3,410,210</b>	<b>3,892,868</b>	<b>3,833,036</b>
<b>Business-Type Activities</b>										
Investment Income	93,701	87,519	30,254	3,894	7,516	6,587	2,574	(1,279)	751	1,544
Miscellaneous	487,492	152,630	136,228	71,345	-	-	14,364	55,715	38,568	81,213
Transfers	-	-	-	-	-	(4,110)	(4,110)	(39,110)	(30,000)	-
<b>Total Business-Type Activities</b>	<b>581,193</b>	<b>240,149</b>	<b>166,482</b>	<b>75,239</b>	<b>7,516</b>	<b>2,477</b>	<b>12,828</b>	<b>15,326</b>	<b>9,319</b>	<b>82,757</b>
<b>Total Primary Government</b>	<b>3,678,261</b>	<b>3,531,066</b>	<b>3,350,007</b>	<b>3,193,279</b>	<b>3,261,859</b>	<b>3,398,202</b>	<b>3,299,720</b>	<b>3,425,536</b>	<b>3,902,187</b>	<b>3,915,793</b>
<b>Changes in Net Position</b>										
Governmental Activities	(58,837)	72,603	149,835	1,035,230	103,539	397,011	(59,692)	(318,472)	(906,332)	(276,245)
Business-Type Activities	1,877,358	(798,845)	(274,777)	(222,332)	(374,373)	(480,155)	(450,613)	(549,823)	(481,343)	(556,408)
<b>Total Primary Government</b>	<b>1,818,521</b>	<b>(726,242)</b>	<b>(124,942)</b>	<b>812,898</b>	<b>(270,834)</b>	<b>(83,144)</b>	<b>(510,305)</b>	<b>(868,295)</b>	<b>(1,387,675)</b>	<b>(832,653)</b>

Data Source: Audited Financial Statements

**VILLAGE OF PALOS PARK, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**April 30, 2017 (Unaudited)**

	2008	2009	2010
General Fund			
Reserved	\$ 81,614	53,247	58,168
Unreserved	1,181,635	1,017,976	922,908
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	-	-	-
Total General Fund	<u>1,263,249</u>	<u>1,071,223</u>	<u>981,076</u>
All Other Governmental Funds			
Reserved	122,866	127,819	195,372
Unreserved, Reported in, Special Revenue Funds	136,550	150,721	90,143
Debt Service Funds			
Capital Projects Funds	464,760	413,848	491,926
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	<u>724,176</u>	<u>692,388</u>	<u>777,441</u>
Total All Governmental Funds	<u><u>1,987,425</u></u>	<u><u>1,763,611</u></u>	<u><u>1,758,517</u></u>

Data Source: Audited Financial Statements

Note: The Village implemented GASB Statement No. 54 for the year ended April 30, 2012.

2011	2012	2013	2014	2015	2016	2017
60,215	-	-	-	-	-	-
1,123,958	-	-	-	-	-	-
-	63,632	62,707	54,255	50,988	54,283	161,464
-	-	-	-	276,732	276,324	3,965
-	1,336,321	1,452,159	1,438,325	1,250,633	1,015,120	1,152,948
1,184,173	1,399,953	1,514,866	1,492,580	1,578,353	1,345,727	1,318,377
841,928	-	-	-	-	-	-
48,281	-	-	-	-	-	-
635,138	-	-	-	-	-	-
-	1,202,700	1,300,144	1,285,489	1,093,414	759,271	832,412
-	202,005	127,629	39,925	39,925	30,054	33,392
-	-	-	-	-	-	(32,257)
1,525,347	1,404,705	1,427,773	1,325,414	1,133,339	789,325	833,547
2,709,520	2,804,658	2,942,639	2,817,994	2,711,692	2,135,052	2,151,924

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
 April 30, 2017 (Unaudited)

	2008	2009	2010
<b>Revenues</b>			
Taxes	\$ 3,144,638	3,113,292	3,071,354
Licenses and Permits	653,044	482,959	467,581
Intergovernmental	159,700	217,936	147,732
Charges for Services	98,185	79,528	50,405
Fees by Agreement	620,443	609,133	619,316
Fines and Forfeitures	187,507	110,902	154,210
Investment Income	65,619	30,646	5,403
Miscellaneous	91,261	47,071	35,034
Total Revenues	5,020,397	4,691,467	4,551,035
<b>Expenditures</b>			
General Government	808,306	712,090	736,570
Public Safety	1,871,600	1,873,619	1,789,273
Public Works	524,083	553,425	533,843
Building and Public Grounds	661,585	779,371	593,998
Culture and Recreation	304,706	309,125	301,616
Solid Waste	245,040	252,592	263,727
Capital Outlay	239,689	120,288	23,157
Debt Service			
Principal Retirement	293,506	282,256	282,279
Interest	123,135	106,693	97,141
Total Expenditures	5,071,650	4,989,459	4,621,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,253)	(297,992)	(70,569)
<b>Other Financing Sources (Uses)</b>			
Transfer In	122,358	132,072	266,116
Transfer Out	(122,358)	(132,072)	(266,116)
Debt Issuance	-	-	12,207
Premium/Discount on Installment Contracts	-	31,316	1,085,000
Disposal of Capital Assets	3,239	42,862	1,259
Payment to Refunded Bond Escrow Agent	-	-	(1,032,991)
	3,239	74,178	65,475
Net Change in Fund Balances	(48,014)	(223,814)	(5,094)
Debt Service as a Percentage of Noncapital Expenditures	8.40%	8.02%	8.25%

Data Source: Audited Financial Statements

2011	2012	2013	2014	2015	2016	2017
3,221,092	3,233,531	2,133,625	2,194,108	2,185,689	2,192,094	2,110,579
471,279	482,653	459,802	372,638	500,102	503,771	426,234
163,410	275,619	1,305,910	1,451,972	1,287,008	1,265,212	1,363,631
40,464	49,747	59,346	73,253	144,435	163,568	219,006
652,044	660,796	379,232	403,583	-	-	-
844,287	74,361	120,507	147,158	184,911	106,261	85,555
13,018	14,298	6,034	(2,121)	3,361	5,543	20,730
20,233	29,815	39,355	51,790	420,622	524,000	460,950
5,425,827	4,820,820	4,503,811	4,692,381	4,726,128	4,760,449	4,686,685
674,934	609,448	604,675	620,088	567,323	870,967	661,854
1,863,219	1,869,168	1,960,561	2,037,855	2,101,895	2,233,001	2,172,075
509,153	570,036	515,661	700,175	607,660	581,525	544,366
568,127	793,050	550,995	549,108	448,021	688,816	541,512
272,696	288,737	356,397	556,380	471,341	546,696	513,331
276,741	286,300	-	-	-	-	-
34,015	100,739	63,830	85,922	430,624	399,932	190,500
258,555	274,553	275,239	276,782	332,910	33,921	30,000
54,684	51,732	43,988	37,792	31,320	17,449	16,175
4,512,124	4,843,763	4,371,346	4,864,102	4,991,094	5,372,307	4,669,813
913,703	(22,943)	132,465	(171,721)	(264,966)	(611,858)	16,872
171,182	138,220	118,220	133,220	168,349	246,588	56,175
(171,182)	(134,110)	(114,110)	(94,110)	(133,349)	(216,588)	(56,175)
37,300	-	-	-	-	-	-
-	-	-	-	-	-	-
-	113,971	1,406	7,966	-	5,218	-
-	-	-	-	-	-	-
37,300	118,081	5,516	47,076	35,000	35,218	-
951,003	95,138	137,981	(124,645)	(229,966)	(576,640)	16,872
6.99%	6.80%	7.62%	6.63%	7.47%	1.02%	1.04%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2017 (Unaudited)**

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Valuation
2007	\$ 199,888,492	\$ 23,222,193	\$ 10,316,359	\$ 36,902
2008	234,150,430	27,306,755	12,130,909	43,392
2009	253,140,363	29,408,767	13,064,719	46,732
2010	258,132,898	29,988,778	13,322,387	47,654
2011	206,366,428	23,974,842	10,650,690	38,099
2012	191,763,106	22,277,062	9,897,182	35,403
2013	180,695,631	20,991,357	9,325,973	33,360
2014	173,755,506	20,185,124	8,967,782	32,079
2015	168,617,169	19,584,654	8,708,669	19,703
2016	176,145,947	20,459,111	9,097,512	20,583

Data Source: Office of the County Clerk

Notes:

Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

Total Direct Tax Rate is the Village only. (Does not include overlapping rates.)

Railroad Valuation	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 101,672	\$ 233,565,618	0.4350	\$ 700,696,854	33.33%
119,555	273,751,041	0.4020	821,253,123	33.33%
128,758	295,789,339	0.3820	887,368,017	33.33%
131,297	301,623,014	0.3910	904,869,042	33.33%
104,894	241,134,953	0.4990	723,404,859	33.33%
97,471	224,070,224	0.5550	672,210,672	33.33%
91,845	211,138,166	0.6000	633,414,498	33.33%
88,317	203,028,808	0.6356	609,086,424	33.33%
98,514	197,028,709	0.6635	591,086,127	33.33%
102,913	205,826,066	0.6430	617,478,198	33.33%

## VILLAGE OF PALOS PARK, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2017 (Unaudited)

	2007	2008	2009
Village Direct Rates			
General	\$ 0.2970	0.2780	0.3140
Illinois Municipal Retirement	0.0350	0.0320	0.0300
Police Pension	0.0580	0.0520	-
Police Protection	0.0450	0.0400	0.0380
Total Direct Rates	0.4350	0.4020	0.3820
Overlapping Rates			
School Districts	4.4860	4.1000	7.2300
Library	0.1380	0.1280	0.1230
County	0.5110	0.4750	0.4730
Fire Protection District	0.5450	0.5110	1.1320
Township	0.0790	0.0750	0.7110
S. Palos Sanitary District *	0.1770	0.2760	0.2580
MWRD	0.2630	0.2520	0.2610

Data Source: Office of the County Clerk

#### Notes:

The Village's basic property tax rate may be increased only by a majority vote of the Village's residents. Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all Village property owners; County property tax rates for example, although the County property tax rates apply to all Village property owners, other rates (i.e., certain school districts) may apply to only certain property

\* Only some Village residents are within the S. Palos Sanitary District

2010	2011	2012	2013	2014	2015	2016
0.3180	0.4020	0.4410	0.4710	0.4904	0.5027	0.4767
0.0320	0.0430	0.0500	0.0570	0.0640	0.0708	0.0732
-	-	-	-	-	-	-
0.0410	0.0540	0.0640	0.0720	0.0812	0.0900	0.0931
0.3910	0.4990	0.5550	0.6000	0.6356	0.6635	0.6430
7.5010	9.0050	5.5270	6.0050	6.3060	6.5100	11.1930
0.1260	0.1610	0.1800	0.1950	0.2070	0.2160	0.2100
0.4840	0.5570	0.6080	0.6760	0.6540	0.6720	1.4660
1.1930	1.4370	1.0470	1.0470	1.2010	1.2550	2.1330
0.7420	0.8990	0.1080	0.1180	0.1250	0.1330	0.9320
0.2530	0.3310	0.3920	0.3610	0.4060	0.4210	0.4090
0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago  
April 30, 2017 (Unaudited)**

Taxpayer	2016			2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
IRC (Formerly CNC)	\$ 6,112,916	1	3.10%	9,281,306	1	3.39%
Sunrise Senior Living	5,821,565	2	2.95%	6,361,092	2	2.32%
James Marth	1,990,266	3	1.01%	2,880,595	3	1.05%
RDK Ventures	1,942,049	4	0.99%			
Inter Cont'l 131st Palos Park	1,324,633	5	0.67%	1,591,591	6	0.58%
Walgreen Co. Tax Dept.	1,160,017	6	0.59%	1,933,168	4	0.71%
Hackney's on Lake Inc.	829,509	7	0.42%			
Southwest HWY, LLC	766,448	8	0.39%			
Alfredo Veltri	696,158	9	0.35%			
Individual	636,231	10	0.32%			
Gas City Ltd.				1,659,908	5	0.61%
Shell Oil Company				1,416,309	7	0.52%
SBC Ameritech				1,173,857	8	0.43%
Individual				960,280	9	0.35%
Individual				915,240	10	0.33%
<b>Total</b>	<b>21,279,792</b>		<b>10.80%</b>	<b>28,173,346</b>		<b>10.29%</b>

Data Source: Office of the County Clerk and Assessor's Office

Notes:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data for nine years ago is not available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 1,015,072	\$ 483,740	47.66%	\$ 530,443	\$ 1,014,183	99.91%
2009	1,098,709	567,862	51.68%	514,807	1,082,669	98.54%
2010	1,129,915	510,898	45.22%	618,452	1,129,350	99.95%
2011	1,221,886	560,614	45.88%	633,241	1,193,855	97.71%
2012	1,200,852	614,989	51.21%	584,041	1,199,030	99.85%
2013	1,243,590	626,374	50.37%	612,839	1,239,213	99.65%
2014	1,266,829	650,932	51.38%	634,986	1,285,918	101.51%
2015	1,369,944	660,537	48.22%	634,712	1,295,249	94.55%
2016	1,396,368	679,298	48.65%	632,684	1,311,982	93.96%
2017	1,414,760	679,477	48.03%	-	679,477	48.03%

Data Source - Office of the Cook County Treasurer's Office

Notes:

Total collections to date include collections within the current fiscal year and collections in subsequent years. The percentage of levy represent the ratio of total collections to date to the taxes levied for that fiscal year. Extensions include loss amounts assessed by the County. Therefore, actual collections could exceed 100%.

Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years**  
**April 30, 2017 (Unaudited)**

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Fiscal Year	Governmental Activities		General Obligation Bonds
	Debt Certificates	Installment Notes Payable	
2008	\$ 2,006,977	\$ 250,940	\$ 770,000
2009	1,779,698	227,279	715,000
2010	1,558,443	221,255	660,000
2011	1,283,890	274,553	2,295,000
2012	1,008,300	275,590	2,175,000
2013	734,274	23,272	2,055,000
2014	720,000	11,831	1,925,000
2015	395,000	3,921	1,790,000
2016	365,000	-	1,650,000
2017	335,000	-	1,505,000

Note: The Village's outstanding debt can be found in the Notes to the Financial Statements

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Business-Type Activities				Percentage of Assessed Valuation (1)	Per Capita (1)
Installment Notes Payable	Public Benefit Debt	Total Primary Government			
\$ -	396,332	\$ 3,424,249		1.25%	\$ 730.27
-	358,622	3,080,599		1.04%	656.98
-	320,912	2,760,610		0.92%	588.74
-	283,201	4,136,644		1.72%	853.44
-	245,491	3,704,381		1.65%	764.26
23,272	207,781	3,043,599		1.44%	627.93
11,830	170,072	2,838,733		1.40%	585.67
3,920	132,362	2,325,203		1.18%	479.72
-	94,652	2,109,652		1.07%	435.25
-	56,942	1,896,942		0.92%	391.36

**VILLAGE OF PALOS PARK, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Fiscal Year	Governmental Activities Debt Certificates	Business-Type Activities General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2008	\$ 2,006,977	\$ 770,000	\$ -	\$ 2,776,977	1.19%	\$ 592.23
2009	1,779,698	715,000	-	2,494,698	0.91%	532.03
2010	1,558,443	660,000	-	2,218,443	0.75%	473.12
2011	1,283,890	2,295,000	-	3,578,890	1.19%	738.37
2012	1,008,300	2,175,000	-	3,183,300	1.32%	656.76
2013	734,274	2,055,000	-	2,789,274	1.24%	575.46
2014	720,000	1,925,000	-	2,645,000	1.25%	545.70
2015	395,000	1,790,000	-	2,185,000	1.08%	450.79
2016	365,000	1,650,000	-	2,015,000	1.02%	415.72
2017	335,000	1,505,000	-	1,840,000	0.89%	379.62

Data Source: Audited Financial Statements

Note: Details of the Village's outstanding debt can be found in notes to financial statements.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistic for personal income and population data.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
April 30, 2017 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to the Village of Palos Park (1)	Village of Palos Park Share of Debt
Village of Palos Park	\$ 335,000	100.00%	\$ 335,000
<b>Overlapping Debt</b>			
Cook County	3,213,141,750	0.1437%	4,617,285
Cook County Forest Preserve District	159,440,240	0.1437%	229,116
Metropolitan Water Reclamation District	2,583,922,748	0.1465%	3,785,447
South Palos Twp. Sanitary District	510,000	6.1454%	31,342
Lemont Park District	11,151,000	0.0130%	1,450
<b>Schools</b>			
Comm. Consolidated School Dist. 118	7,625,000	28.1158%	2,143,830
School District 113A	9,159,864	0.0101%	925
High School District 210	73,760,000	0.0100%	7,376
High School Dist. 230	17,620,000	4.7154%	830,853
Community College 525	76,660,000	0.0006%	460
Community College 524	62,565,000	2.2746%	1,423,103
<b>Total Overlapping Debt</b>	<u>6,215,555,602</u>		<u>13,071,186</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>6,215,890,602</u></u>		<u><u>13,406,186</u></u>

Data Source: Office of the Cook County Clerk and Office of the Comptroller of the State of Illinois

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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	2008	2009	2010	2011
Legal Debt Limit	\$ 20,145,035	22,796,927	23,611,027	25,511,830
Total Net Debt Applicable to Limit	770,000	715,000	660,000	2,295,000
Legal Debt Margin	19,375,035	22,081,927	22,951,027	23,216,830
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.82%	3.14%	2.80%	9.00%

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Data Source: Village Records

Note:

G.O. Alternative bonds are considered G.O. Bonds in these calculations even though they are to be paid by water and sewer revenues.

2012	2013	2014	2015	2016	2017
26,014,985	19,326,057	18,210,667	17,511,235	16,993,726	17,752,498
2,175,000	2,055,000	1,925,000	1,790,000	365,000	335,000
23,839,985	17,271,057	16,285,667	15,721,235	16,628,726	17,417,498
8.36%	10.63%	10.57%	10.22%	2.15%	1.89%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	<u>\$ 205,826,066</u>
Bonded Debt Limit - 8.625% of Assessed Value	17,752,498
Amount of Debt Applicable to Limit	<u>335,000</u>
Legal Debt Margin	<u>17,417,498</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Pledged Revenue Coverage - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Fiscal Year	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 1,316,694	\$ 1,146,424	\$ 170,270	\$ 101,433	\$ 52,320	1.11
2009	1,460,236	1,434,908	25,328	92,710	43,771	0.19
2010	2,005,501	1,476,747	528,754	92,710	43,565	3.88
2011	2,176,330	1,456,035	720,295	156,116	101,850	2.79
2012	2,162,336	1,536,216	626,120	164,720	100,274	2.36
2013	2,332,944	1,846,347	486,597	161,322	95,023	1.90
2014	2,462,290	1,183,897	1,278,393	175,309	88,483	4.85
2015	2,306,253	2,001,837	304,416	180,620	71,307	1.21
2016	2,388,377	1,817,242	571,135	143,920	93,604	2.40
2017	2,416,969	1,943,438	473,531	145,000	71,556	2.19

Notes:

Details of the Village's outstanding debt can be found in the Notes to the Financial Statements

Water Charges and Other includes investment earnings but no tap-on fees.

Operating expenses do not include interest or depreciation

Special Assessment projects within the Village are not pledged by Village funds; projects are funded by Village residents through direct collections and, therefore are not recorded here.

## VILLAGE OF PALOS PARK, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2017 (Unaudited)

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	4,689	\$ 367,852,050	\$ 78,450	6.20%
2009	4,689	367,852,050	78,450	9.60%
2010	4,689	367,852,050	78,450	11.20%
2011	4,847	367,852,050	78,450	8.70%
2012	4,847	412,964,400	85,200	9.00%
2013	4,847	429,579,916	88,628	9.40%
2014	4,847	429,579,916	88,628	7.70%
2015	4,847	429,579,916	88,628	6.00%
2016	4,847	429,579,916	88,628	6.50%
2017	4,847	429,579,916	95,451	4.40%

Data Source: Population is from the U.S. Bureau of the Census

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Employers - Prior Fiscal Year and Seven Fiscal Years Ago  
April 30, 2017 (Unaudited)**

Employer	2016		2010	
	Rank	Percentage of Total Village Population	Rank	Percentage of Total Village Employment
Holly Family Villa	1	3.44%		
Jewel	2	2.37%	1	4.76%
Sunrise Assisted Living	3	2.06%		
Village of Palos Park	4	1.71%	3	1.31%
Osco	5	1.65%	2	1.43%
Hackney's	6	1.03%	5	0.64%
Francesca's	7	0.95%	4	1.19%
Walgreens	8	0.58%		
McDivott's	9	0.27%	6	0.17%
Standard Bank	10	0.19%		
		<u>14.3%</u>		<u>9.50%</u>

Note: Telephone canvass of employers performed in 2016. Current year and nine years ago is not available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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Function/Program	2008	2009	2010
General Government			
Administration	5.30	5.30	4.30
Building and Zoning	4.00	3.50	3.50
Finance	3.00	3.30	2.00
Police			
Officers FT	10.00	10.00	10.00
Officers PT	15.00	16.00	20.00
Civilians	2.00	2.00	2.00
Public Works			
Water Department	4.30	4.60	4.60
Sewer Department	1.60	1.40	1.40
Street Maintenance	4.40	5.00	4.50
Recreation	3.50	3.50	3.50
Totals	53.10	54.60	55.80

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Data Source: Village Finance Department Payroll

2011	2012	2013	2014	2015	2016	2017
4.30	4.30	4.30	4.30	4.30	4.30	4.30
3.50	3.50	3.50	3.50	3.50	3.50	3.50
2.00	2.00	1.50	1.50	1.50	1.50	1.50
9.00	9.00	9.00	9.00	9.00	9.00	9.00
22.00	23.00	24.00	24.00	20.00	23.00	23.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
4.60	4.60	4.60	4.60	4.60	4.60	4.60
1.40	1.40	1.40	1.40	1.40	1.40	1.40
4.50	3.50	4.50	4.50	4.50	4.50	4.50
2.50	2.50	3.00	3.00	3.00	3.00	3.00
55.80	55.80	57.80	57.80	53.80	56.80	56.80

**VILLAGE OF PALOS PARK, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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Function/Program	2008	2009	2010
Public Safety			
Police (1)			
Physical Arrests	285	242	170
Parking Violations	1,757	1,573	1,209
Traffic Violations	1,711	1,570	1,213
Public Works			
Street Resurfacing (Miles)	1.01	1.01	0.25
Pothole Repairs	75-120	75-100	50-75
Water			
New Connections	27	7	8
Water Main Breaks	12	15	2
Average Daily Consumption (2)	427,827	489,000	416,134
Peak Demand	987,000	837,000	850,000

Data Source: Appropriate Village Departmental

(1) Police data is available only on the calendar year; for instance, FY 08 covers January 2007- December 2007.

(2) Average Gallons per Day

Note: The Village does not treat wastewater. It is treated by MWRD.

2011	2012	2013	2014	2015	2016	2017
217	186	183	202	211	240	136
1,307	987	982	997	1,198	1,048	728
1,383	885	953	956	1,925	864	470
-	0.66	0.80	0.90	1.19	1.30	0.10
75-150	50-75	80-140	722.0	1,524.0	2,769	150-175
6	4	2	8	4	5	4
2	7	4	44	12	15	8
404,000	474,000	501,000	437,000	407,813	402,186	408,000
906,000	969,000	823,000	702,000	708,000	750,000	684,000

**VILLAGE OF PALOS PARK, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

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Function/Program	2008	2009	2010
Public Safety			
Police			
Stations	1	1	1
Patrol Units	8	7	8
Public Works			
Residential Streets (Miles)	14.70	14.70	14.70
Water			
Water Mains (Miles)	50.58	51.08	52.24
Fire Hydrants	726	730	730
Storage Capacity (Gallons)	800,000	800,000	1,300,000
Wastewater			
Sanitary Sewer (Miles)	39.27	39.37	39.37
Storm Sewers (Miles)	7.67	7.67	7.67

Data Source: Appropriate Village Departmental Directors

Note: All Village arterial streets, streetlights and traffic signals are not owned by the Village.

2011	2012	2013	2014	2015	2016	2017
1 8	1 8	1 8	1 8	1 8	1 8	1 8
14.70	14.70	14.70	14.70	14.70	14.70	14.70
52.24 730 1,300,000	52.24 730 1,300,000	52.24 731 1,300,000	52.24 731 1,300,000	52.24 731 1,300,000	52 731 1,300,000	52 731 1,300,000
39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67