

VILLAGE OF PALOS PARK, ILLINOIS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2019**

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, 2019

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*

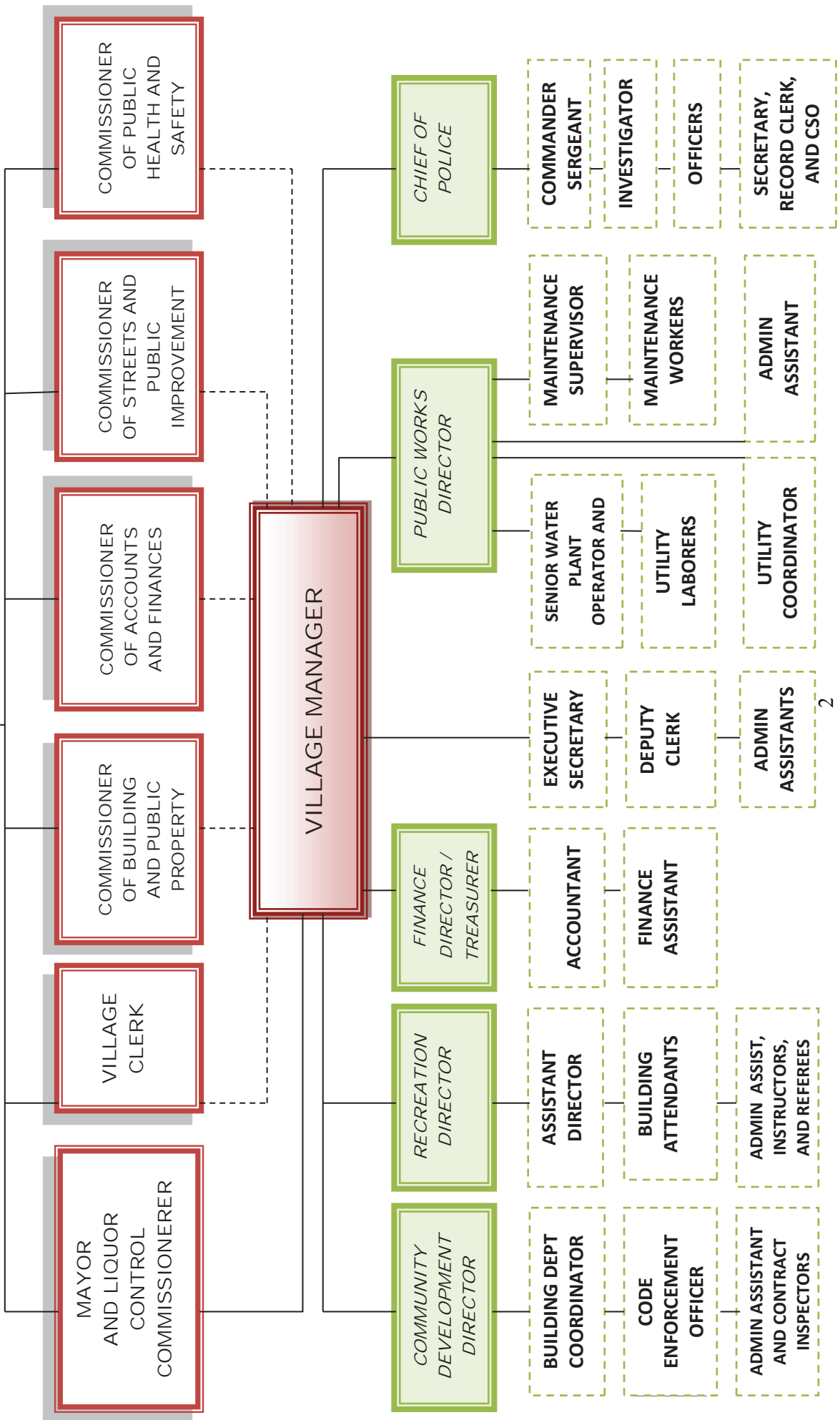
Joseph Miller - *Chief of Police*

Paul Mose Rickey - *Recreation Director*

Michael Sibrava - *Public Works Director*

Lauren Pruss - *Community Development Director*

VILLAGE RESIDENTS





VILLAGE OF
PALOS PARK

October 11, 2019

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, 2019 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 s 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, 2019 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, 2019. 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 131st 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 123rd Street, primarily between 80th Avenue and 86th 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 123rd Street and 80th Avenue is Palos Community Hospital (in Palos Heights) and serves as another major employer in the area. Also immediately adjacent to the Village at 131st 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 2.0% for the coming year. In fiscal year 2019, 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 increased overall by 6.83% in FY19 to \$4,682,675. Sales tax increased by 5.06%, utility taxes increased by 5.82%. Revenue from property taxes collections increased 6.11% due the annexation of property, and state income tax increased by 7.06% as compared to the prior fiscal year.

General Fund operating expenditures increased in FY19 by \$115,872 to a total of \$4,439,920 as compared to the prior fiscal year. This 2.68% increase in expenditures was due to increases in spending for wages for employees, insurance costs, and legal fees. Also, increased departmental spending for Public Safety, Public Grounds, Public Works, Building, Finance, and Festivals Departments in the fiscal year added to the overall spending increase. Reductions in overall spending for Administration, Public Affairs, and Recreation helped produced a surplus and an increase in reserves for the General Fund balance in the amount of \$242,755 at the end of the fiscal year. The General Fund ensures that the Village has sufficient reserves to cover planned upcoming expenditures, and the ending fund balance is \$483,728 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 position 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 2019

PERSONNEL

- Continue to evaluate staffing levels in all departments;
- Put in place a Village wide employee performance evaluation system;
- Continue to identify professional development for staff;
- Continue to look for reorganization and consolidation of duty opportunities within departments/cross training;
- Establish a working Employee Safety Committee;
- Work with employee committee to increase visibility and programming, continue to participate as a member - ongoing activity;
- Look for opportunities to conduct a meaningful employee Fitness and Wellness Program (ongoing activity);
- Continue to update the Village's Manual of Personnel Policies – an ongoing annual activity; and
- Create a fraud prevention and whistleblower policy.

COMMUNICATIONS

- 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 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;

- Recognize and promote the organizations that make Palos Park a better place; and
- Keep employee intranet site active and engaging.

ANNEXATIONS

- Conduct studies, including impact analysis, needed to negotiate development agreements that are in the best interest of the Village;
- Work with consultants to develop plans, design guidelines and Com Plan amendment for western annexed areas;
- Continue the evaluation and planning for extension of utility services to new territories
- Continue discussions with Equestrian Estates HOA members;
- Work to negotiate an agreement and annex 131st Street First Midwest Bank annexation;
- Work to negotiate an agreement and annex Peace Church and Peace Village properties;
- Work to annex School District #188 Palos West property.

LEGAL

- Track legal expenses of the Village;
- Continue to work to limit our litigation exposure;
- Work with the various attorneys on litigation matters involving the newly annexed properties; and
- Monitor the State’s Attorney Quo Warranto suit.

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;
- Plan for further improvements at Centennial Park;
- Plan next phases of improvements on the Village Green – make more accessible, find money to start the program;
- Continue to implement improvements at Kaptur Center, Recreation Center (Community House);
- Look to upgrade and provide additional security cameras at key locations;
- Work with Cal Sag Coalition to implement a trailhead amenity program; and
- Work with the Beautification Committee and Public Works Department to improve Public areas in the Village.

PROCEDURAL/OPERATIONS

- Administer the Municipal Electric Aggregation Program – ongoing activity;
- Improve the retrieval process of Village records by examining the feasibility of implementing document management thru GIS or other means; and
- Continue to upgrade the Village’s hardware and software systems.

PUBLIC WORKS / INFRASTRUCTURE

- Plan for maintenance program of LaGrange Road landscaping following;
- 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;

- Serve on the Management Committee of the Regional Water System; and
- Work with the Palos Fine Arts Committee to identify locations for public art.

ECONOMIC DEVELOPMENT

- Work with commercial ownership to fill space with tenants the Village desires;
- Feature businesses on website and in newsletter – Village promotes business using links from our website and FB page;
- Create an improved economic development portion of website;
- Continue support of businesses through 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, re-development around Metra Station and along LaGrange Road; and
- Look for opportunities to plan/coordinate development on properties that were annexed.

FINANCE

- Adhere to budget categories within Budget, expense where appropriate, not where convenient;
- Develop strategy to fund Police Pension Program;
- Develop road improvement funding strategies;
- Document costs of special events;
- Expand use of credit cards and on-line payments; and
- Look into new, more user friendly financial software packages.

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; and
- Combine our various policies into singular documents.

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* is scheduled for September 14-15, 2018; and
- 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 2019***

PLANNING ZONING

- Update Comprehensive Plan for west sector;
- Continue to amend Zoning Regulations as needed;
- Coordinate and pursue adoption of the Village bikeways and trails Plan; and
- Provide a high level of service to customers requiring special approvals through the Zoning Board of Appeals or Plan Commission.

ANNEXATIONS

- Assist in negotiating annexation agreements and coordinating public hearings.

DEVELOPMENT

- Assist customers 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
- Manage the CMAP grant for bikeways and trails plan for the Village.

COMMISSIONS

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

CODE ADMINISTRATION

- Consider adoption of the International Property Maintenance Code;
- Increase the fee for contractor registration;
- Conduct a comprehensive fee analysis and update if necessary
- Review the Building Code and other construction related codes;
- 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; 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 2019

- Receive the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for FY2019;
- Prepare document for GFOA's Distinguished Budget Presentation Award for Fiscal Year 2019;
- 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; and
- Continue to receive an unqualified audit opinion and minimal management letter comments.

POLICE DEPARTMENT
Goals and Projects FY 2019

- 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;
- Analyze all of our programs and services to determine their value in meeting our mission;
- Strive to build our volunteer programs; and
- 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 2019

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 -- 1/2% 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 or repair 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;

- Continue to replace older meters with new meters that do a better job of reading low flows;
- Increase accountability for water usage; and
- Continue to replace nonworking reading devices.

RECREATION DEPARTMENT

Goals and Projects FY 2019

- Director will apply for other grants to meet recreation needs (i.e. Trees, Pathways, Programming, Preschool, Athletics, etc.);
- Director complete renovations to the Community Room within budget and in “First-class fashion”;
- Director will attend more community functions and have an increased “community presence”;
- Director will train and work with staff to have at least one other staff person certified in Playground Inspection;
- Recreation Department will conduct monthly safety training meetings on safety procedures and IRMA safety documentation;
- Staff will provide to the public top-notch athletic fields and playground equipment / areas;
- Staff will provide upgraded brochure and construct a cost saving initiative;
- Staff will continue a working relationship with the Village Police and Fire Department regarding Recreation Center safety and emergency plans;
- Staff will offer health and fitness workshops for local businesses;
- Staff will offer a children’s fitness program designed to improve the health and fitness which can curb obesity in children;
- Staff will design a community fitness program that encourages Palos Park residents to walk and bike the paths of Palos Park;
- Staff will develop a practical Training Guide to aid new basketball and soccer volunteers in coaching youth sports teams;
- Staff will develop an annual event that recognizes value and contribution of department volunteers to the success of program and special events;
- Staff will create a professional quality "Kid zone Informational Pamphlet” for interested parents;
- Staff will create a plan to improve the Kid zone program curriculum and guidelines;
- Staff will revamp Summer Day Camp;
- Staff will expand the Dance Program by increasing the variety of dance curriculum and hiring additional qualified instructors;
- Staff will hire, train, orientate, and supervise new Building Attendant(s) for effective center maintenance, room set-ups and take-downs;
- Staff will develop a system for notifying the public of the facility hours within each program period and of any changes in those facility hours;
- Staff will develop two front desk manuals:
 - 1.) *A guide of effective systems, processes, and procedures regarding Front Desk Operations.*
 - 2.) *A guide of training processes for Front Desk Attendants.*

- Increase advertising revenue by soliciting ads for the seasonal brochure;
- Continue to strengthen and expand community partnerships with the Library, the Center, and local Civic Groups;
- Power wash and stain the Recreation Center shed;
- Seek out opportunities with Moraine Valley Community College to offer fitness initiative for residents at discounted prices;
- Improve effective drainage to the Centennial Park center field;
- Develop and implement a variety of environmental education classes for youth and adults;
- Inclusion into "The Center" monthly newsletter for upcoming special events; and
- Inclusion into the Library monthly newsletter for upcoming special events.

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, 2018. This was the 20th 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.

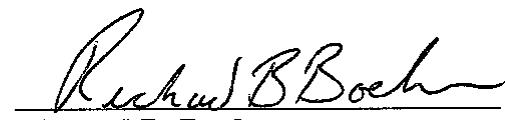
We would also like to thank and extend our appreciation to the Administration Department and the Village's Department Directors: Public Works Director *Michael Sibrava*; Community Development Director *Lauren Pruss*; Recreation and Parks Director *Paul Mose Rickey*; and Police Chief *Joe Miller*. All 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, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 11, 2019

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, 2019, 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2019, 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 a 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and 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
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF PALOS PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2019

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, 2019. 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.

FINANCIAL HIGHLIGHTS

- ***Net position and performance in total*** – The Village's total net position at fiscal year-end was \$19,857,478 a decrease of \$997,194 during the year.
- ***Governmental activity summary*** – Net position for governmental activities decreased by \$174,258 during the year to \$1,521,705.
- ***Business-type activity summary*** – Net position for business-type activities decreased by \$822,936 during the year to \$18,335,773.
- ***General Fund summary*** – The Village's General Fund reported an increase of \$242,755 in fund balance for the year to \$1,593,708.
- ***Budget vs. Actual*** – The Village's actual revenues for the General Fund were more than budgeted revenues by \$192,743 while the actual expenditures were more than total budgeted expenditures by \$29,478.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 \$19,857,478. The following table reflects the condensed Statement of Net Position as of April 30, 2018 and 2019. For more detailed information see the Statement of Net Position.

**TABLE 1
STATEMENT OF NET POSITION
FOR FISCAL YEARS 2018 AND 2019**

	<i>Governmental Activities 2018</i>	<i>Governmental Activities 2019</i>	<i>Business- Type Activities 2018</i>	<i>Business- Type Activities 2019</i>	<i>Total Primary Government 2018</i>	<i>Total Primary Government 2019</i>
Assets:						
<i>Current and Other</i>						
<i>Assets</i>	\$ 3,637,641	\$ 3,695,309	\$ 3,543,490	\$ 3,497,279	\$ 7,181,131	\$ 7,192,588
<i>Capital Assets</i>	4,559,941	4,440,843	17,562,010	16,664,054	22,121,951	21,104,897
Total Assets	\$ 8,197,582	\$ 8,136,152	\$ 21,105,500	\$ 20,161,333	\$ 29,303,082	\$ 28,297,485
<i>Deferred Outflows</i>						
<i>of Resources</i>	\$ 1,234,073	\$ 1,327,997	\$ 101,045	\$ 245,718	\$ 1,335,118	\$ 1,573,715
Total Assets and Deferred Outflows of Resources	\$ 9,431,655	\$ 9,464,149	\$ 21,206,545	\$ 20,407,051	\$ 30,638,200	\$ 29,871,200
Liabilities:						
<i>Other Liabilities</i>	\$ 639,245	\$ 581,486	\$ 359,987	\$ 407,853	\$ 999,232	\$ 989,339
<i>Long-Term</i>						
<i>Liabilities</i>	4,995,252	5,754,637	1,382,162	1,617,419	6,377,414	7,372,056
Total Liabilities	\$ 5,634,497	\$ 6,336,123	\$ 1,742,149	\$ 2,025,272	\$ 7,376,646	\$ 8,361,395
Unearned Revenue:						
<i>Unavailable</i>						
<i>Revenue</i>	\$ 1,927,010	\$ 1,606,321	\$ 254,667	\$ 46,006	\$ 2,181,677	\$ 1,652,327
Total Liabilities and Deferred Inflows of Resources	\$ 7,561,507	\$ 7,942,444	\$ 1,996,816	\$ 2,071,278	\$ 9,558,323	\$ 10,013,722
Net Position:						
<i>Net Investment</i>						
<i>in Capital Assets</i>	\$ 4,254,941	\$ 4,165,843	\$ 16,182,778	\$ 15,454,054	\$ 20,437,719	\$ 19,619,897
<i>Restricted</i>	1,011,916	890,713	-	-	1,011,916	890,713
<i>Unrestricted</i>	(3,411,839)	(3,534,851)	3,026,951	2,881,719	(384,888)	(653,132)
TOTAL NET POSITION	\$ 1,855,018	\$ 1,521,705	\$ 19,209,729	\$ 18,335,773	\$ 21,064,747	\$ 19,857,478

CURRENT YEAR IMPACT – NET POSITION

The Village's combined net position (which is the Village's bottom line) decreased 4.78% from a restated \$20,854,672 to \$19,857,478 with a decrease in net position of \$997,194. Net position of the Village's governmental activities decreased \$174,258 during the year and ended the year at \$1,521,705. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased \$123,012 over last year to (\$3,534,851).

The net position of business-type net position decreased \$822,936 or 4.30% during the year, and ended the fiscal year at \$18,335,773. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$2,881,719. Business-type activities include water, sewer, solid waste, and commuter parking lot services. The annual operating cost of these services for Fiscal Year 2019 was \$3,596,407.

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 2018 AND 2019

	<i>Governmental Activities 2018</i>	<i>Governmental Activities 2019</i>	<i>Business- Type Activities 2018</i>	<i>Business- Type Activities 2019</i>	<i>Total Primary Government 2018</i>	<i>Total Primary Government 2019</i>
REVENUES						
Program Revenues:						
<i>Charges for Services</i>	\$ 714,382	\$ 824,088	\$ 2,915,777	\$ 2,878,618	\$ 3,630,159	\$ 3,702,706
<i>Operating Grants</i>	123,759	123,039	-	-	123,759	123,039
General Revenues:						
<i>Property Taxes</i>	1,340,768	1,422,799	-	-	1,340,768	1,422,799
<i>Sales Taxes</i>	1,005,489	1,057,010	-	-	1,005,489	1,057,010
<i>Utility Taxes</i>	421,304	445,823	-	-	421,304	445,823
<i>Income Taxes</i>	439,535	470,590	-	-	439,535	470,590
<i>Other</i>	207,021	210,148	-	-	207,021	210,148
<i>Investment Income</i>	43,014	47,291	2,546	2,337	45,560	49,628
<i>Gain on Sale of Capital Assets</i>		-	-	-	-	-
<i>Other</i>	496,227	545,541	90,355	67,516	586,582	613,057
Total Revenues	4,791,499	5,146,329	3,008,678	2,948,471	7,800,177	8,094,800
EXPENSES						
<i>General Government</i>	895,776	698,093	-	-	895,776	698,093
<i>Public Safety</i>	2,512,388	2,560,411	-	-	2,512,388	2,560,411
<i>Public Works</i>	603,189	1,207,602	-	-	603,189	1,207,602
<i>Building and Public Grounds</i>	565,910	549,017	-	-	565,910	549,017
<i>Culture and Recreation</i>	459,347	467,237	-	-	459,347	467,237
<i>Water</i>	-	-	2,294,997	2,258,454	2,294,997	2,258,454
<i>Sewer</i>	-	-	777,810	886,842	777,810	886,842
<i>Solid Waste</i>	-	-	357,510	360,784	357,510	360,784
<i>Commuter Lot</i>	-	-	66,503	90,327	66,503	90,327
<i>Interest</i>	14,456	13,227	-	-	14,456	13,227
Total Expenses	5,051,066	5,495,587	3,496,820	3,596,407	8,547,886	9,091,994
Change in Net Position Before Transfers	(259,567)	(349,258)	(488,142)	(647,936)	(747,709)	(997,194)
Transfers		175,000		(175,000)	-	-
Change in Net Position	(259,567)	(174,258)	(488,142)	(822,936)	(747,709)	(997,194)
Beginning Net Position As Restated	2,114,585	1,695,963	19,697,871	19,158,709	21,812,456	20,854,672
Ending Net Position	\$ 1,855,018	\$ 1,521,705	\$ 19,209,729	\$ 18,335,773	\$ 21,064,747	\$ 19,857,478

CURRENT YEAR IMPACTS -- CHANGES IN NET POSITION

Governmental Activities

Overall total revenues for governmental activities in Fiscal Year 2019 totaled \$5,146,329, excluding transfers of \$175,000, representing an increase in net amount of \$354,830 or 7.41% (\$824,088 for Charges for Services; \$1,422,799 for Property Taxes; and \$2,899,442 for Other Revenues). Revenues decreased only in operating grants, and all other revenue sources increased during the fiscal year. Property taxes were one of the Village's largest sources of revenue at \$1,422,799; that is an increase of \$82,031 over the prior fiscal year. Sales tax revenue increased by 5.12% to \$1,057,010 or \$51,521 more than FY2018. Utility taxes in FY2019 increased to \$445,823 or \$24,519 more than the prior fiscal year. State income tax payments increased 7.07% to an annual total of \$470,590. In addition, the Other revenue source experienced a \$3,127 increase.

Expenses for governmental activities totaled \$5,495,587 representing an 8.80% increase from the previous fiscal year. Some of the more notable increases in spending are as follows: wages increased by 4.35% to \$2,384,771; benefits increased 4.11% to \$799,277; legal fees decreased 36.69% to \$148,673; other contractual services increased 19.18% to \$888,871; commodities increased 1.42% to \$255,330; and insurance decreased 13.91% to \$64,889 in this fiscal year. The Village saw decreases in departmental expenditures in general government, capital outlay, and recreation; while public safety, public works, building, and public grounds noted increases in departmental expenditures during the fiscal year.

Business-Type Activities

Revenue from business-type activities totaled \$2,948,471 (\$2,878,618 charges for services; \$2,337 from investment income; and \$67,516 from other income), representing a decrease of \$60,207 from the previous fiscal year. Operating revenues in the Water Fund decreased \$33,752 to \$1,938,898; while in the Sewer Fund the operating revenues decreased \$18,978 to \$476,208 in Fiscal Year 2019. The Refuse and Recycling Fund for FY19 ended the fiscal year with total revenues of \$360,211 an increase of \$4,155. The Commuter Lot Fund operating revenues increased \$11,416 to \$103,301 in FY19. Fiscal Year 2019 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 \$3,596,407, excluding transfers of \$175,000, a \$99,587 increase from the previous fiscal year. In the fiscal year, water services operational expenses decreased by \$33,555 to \$2,202,879. The Commuter Lot Fund operating expenses increased \$23,824 to \$90,327. The Sewer Fund operating expenses increased \$110,675 to \$883,428. The Refuse and Recycling Fund ended the fiscal year with total expenses of \$360,784 an increase of \$3,274 for fiscal year 2019.

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 2017 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 (the CPI-U was 2.0%) at the end of FY19 compared to the end of FY18’s CPI-U of 2.5%, 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.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the fiscal year ending April 30, 2019, the Governmental Funds reflect a combined fund balance of \$2,466,010 which is an increase of \$115,908 or 4.93%, from the prior fiscal year. The General Fund ending fund balance at April 30, 2019 was \$1,593,708 which is an increase of \$242,755. 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 FY19 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 31.47% of the Village's General Fund expenditures for FY19. 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 6.47% or \$294,823 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 and it is worth keeping a close watch.

Total revenues for the General Fund of \$4,682,675 was more than the prior fiscal year by \$299,394 or 6.83%. Revenue increases were seen in Intergovernmental, Taxes, Fines and Forfeitures, Licenses and Permits, and Charges for Services. Actual General Fund revenues were more than originally budgeted revenues by \$192,743 for the fiscal year. The actual revenue was more than the actual expenditures by \$242,755 prior to other financing sources. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are explained below in Table 3.

Operating expenditures increased in Fiscal Year 2019 to \$4,439,920 or \$115,872 more than the prior fiscal year. General Fund expenditures were \$29,478 more than budgeted in the fiscal year. Operating expenditures were more than the prior fiscal year as result of increased wages, benefits, contractual, and commodities. Public Safety also noted higher expenditures for wages, insurance, legal fees, and commodities services. Public Works noted higher expenditures for wages and contractual. Building noted higher wages, benefits, and contractual expenditures. Public Grounds noted higher contractual expenses. Recreation noted higher benefit and festival commodities during the Fiscal Year 2019.

**TABLE 3
GENERAL FUND BUDGETARY HIGHLIGHTS**

<i>General Fund</i>	FY19 Budget	FY19 Actual	<i>FY18 Actual</i>	<i>FY17 Actual</i>	<i>FY16 Actual</i>	<i>FY15 Actual</i>
<i>Revenues:</i>						
<i>Taxes</i>	2,063,875	2,078,770	1,969,093	1,916,050	\$ 2,026,927	\$ 2,015,456
<i>Licenses & Permits</i>	430,950	411,870	409,710	426,234	503,771	500,102
<i>Intergovernmental</i>	1,248,669	1,316,883	1,245,093	1,240,777	1,141,231	1,141,071
<i>Other</i>	746,438	875,152	759,385	746,062	745,860	646,849
Total	4,489,932	4,682,675	4,383,281	4,329,123	4,417,789	4,303,478
<i>Expenditures:</i>						
<i>Current</i>	(4,407,692)	(4,435,014)	(4,286,513)	(4,263,072)	(4,545,059)	(4,013,993)
<i>Capital Outlay</i>	(2,750)	(4,906)	(37,535)	(46,909)	(33,343)	(47,301)
<i>Debt Service</i>	-	-	-	-	-	(312,565)
Total	(4,410,442)	(4,439,920)	(4,324,048)	(4,309,981)	(4,578,402)	(4,373,859)
<i>Other Financing Sources (Uses)</i>						
<i>Transfers In</i>	-	-	-	-	80,000	85,000
<i>Transfers Out</i>	(44,966)	-	(26,657)	(46,737)	(157,231)	(52,510)
<i>Issuance of Installment Notes</i>	-	-	-	-	-	-
<i>Proceeds from Sale of Assets</i>	-	-	-	-	5,218	-
Total	(44,966)	-	(26,657)	(46,737)	(72,013)	32,490
Net Change in Fund Balance	\$ 34,524	\$ 242,755	\$ 32,576	\$ (27,595)	\$ (232,626)	\$ (37,891)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2019, the Village had a total of capital assets in the amount of \$21,104,897; 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 several drainage improvement projects paid from the ½ % Sales Tax Fund. Two new squad cars and a service truck body were purchased in the General Fund. The Sewer and Water Funds purchased an alarm for the scada system, and sanitary main repairs. 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, 2018</i>	<i>Additions/ Deletion</i>	<i>Ending Balance April 30, 2019</i>
<i>Non-Depreciable Assets</i>			
<i>Land</i>	\$ 1,729,988	\$ -	\$ 1,729,988
<i>Depreciable Capital Assets</i>			
<i>Buildings and Improvements</i>	4,432,686	-	4,432,686
<i>Equipment and Vehicles</i>	1,201,825	2,549	1,204,374
<i>Land Improvements</i>	21,356	-	21,356
<i>Water Distribution System</i>	18,578,321	-	18,578,321
<i>Sewer Distribution System</i>	17,391,830	63,104	17,454,934
<i>Accumulated Depreciation on Capital Assets</i>	(21,234,055)	(1,082,707)	(22,316,762)
<i>TOTAL</i>	<u>\$ 22,121,951</u>	<u>\$ (1,017,054)</u>	<u>\$ 21,104,897</u>

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, 2019, the balance was \$275,000.
- 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, 2019 was paid in full.
- 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, 2019, the combined principal balance remaining was \$75,000.
- 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, 2019 was \$1,135,000.

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 \$21,124,049. The Village's total general obligation debt applicable to this limit of \$275,000 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.

ECONOMIC FACTORS

The Village has been impacted at the local level by regional, state, and national economic conditions. The economy improved significantly during the fiscal year with a sustained recovery. Many positive factors were evident including improvements in housing, property values, interest rates, unemployment, GDP growth and stock market growth. Despite these positives, the federal government debt/deficit, the fiscal crisis in the State of Illinois government and legislative mandates, among others have continued to impact the Village as well. Nevertheless, the Village's sound financial management, policies and procedures have resulted in the Village being in a relatively stable position.

The Village is dependent on several sources of intergovernmental, or shared state revenue sources, to finance general operations. Although the Village completed the fiscal year in a better position than anticipated, economic conditions remain level. Considering new revenue sources and focusing on the best means of financing projects continues to be a priority for the Village Board.

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 2018 tax year equalized assessed value (EAV) for property taxes payable in 2019 was \$244,916,507 as compared to the 2017 EAV of \$253,349,367. This is a 3.33% decrease in the Village's EAV, due to external economic factors. The overall EAV reflects the decrease in some property values that has occurred in the Village; as well as, the region for the past several years. 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.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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. 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

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, 2019**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,365,628	3,189,706	5,555,334
Receivables - Net of Allowances	1,082,826	349,207	1,432,033
Due from Other Governments	10,729	-	10,729
Internal Balances	45,029	(45,029)	-
Prepays/Inventories	191,097	3,395	194,492
Total Current Assets	3,695,309	3,497,279	7,192,588
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,709,988	20,000	1,729,988
Depreciable	5,476,751	36,214,920	41,691,671
Accumulated Depreciation	(2,745,896)	(19,570,866)	(22,316,762)
Total Noncurrent Assets	4,440,843	16,664,054	21,104,897
Total Assets	8,136,152	20,161,333	28,297,485
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	522,296	244,899	767,195
Deferred Items - SLEP	80,811	-	80,811
Deferred Items - Police Pension	722,336	-	722,336
Deferred Items - RBP	2,554	819	3,373
Total Deferred Outflows of Resources	1,327,997	245,718	1,573,715
Total Assets and Deferred Outflows of Resources	9,464,149	20,407,051	29,871,200

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 279,229	198,231	477,460
Accrued Payroll	103,800	19,333	123,133
Accrued Interest	4,887	20,699	25,586
Deposits Payable	-	-	-
Other Payables	111,031	1,150	112,181
Current Portion of Long-Term Liabilities	82,539	168,440	250,979
Total Current Liabilities	<u>581,486</u>	<u>407,853</u>	<u>989,339</u>
Noncurrent Liabilities			
Compensated Absences Payable	190,158	33,758	223,916
Net Pension Liability - IMRF	1,022,238	479,316	1,501,554
Net Pension Liability - SLEP	109,747	-	109,747
Net Pension Liability - Police Pension	4,023,078	-	4,023,078
Total OPEB Liability - RBP	169,416	54,345	223,761
General Obligation Bonds/Debt Certificates	240,000	1,050,000	1,290,000
Total Noncurrent Liabilities	<u>5,754,637</u>	<u>1,617,419</u>	<u>7,372,056</u>
Total Liabilities	<u>6,336,123</u>	<u>2,025,272</u>	<u>8,361,395</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	735,239	-	735,239
Deferred Items - IMRF	98,117	46,006	144,123
Deferred Items - SLEP	35,356	-	35,356
Deferred Items - Police Pension	737,609	-	737,609
Total Deferred Inflows of Resources	<u>1,606,321</u>	<u>46,006</u>	<u>1,652,327</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,942,444</u>	<u>2,071,278</u>	<u>10,013,722</u>
NET POSITION			
Net Investment in Capital Assets	4,165,843	15,454,054	19,619,897
Restricted - Special Events	641	-	641
Restricted - Beautification	3,646	-	3,646
Restricted - McCord	891	-	891
Restricted - Highways and Streets	209,277	-	209,277
Restricted - Exaction Fees	17,174	-	17,174
Restricted - Capital Projects	132,095	-	132,095
Restricted - Public Infrastructure Improvements	526,989	-	526,989
Unrestricted (Deficit)	<u>(3,534,851)</u>	<u>2,881,719</u>	<u>(653,132)</u>
Total Net Position	<u>1,521,705</u>	<u>18,335,773</u>	<u>19,857,478</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, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 698,093	411,870	-	-
Public Safety	2,560,411	199,701	-	-
Public Works	1,207,602	-	123,039	-
Building and Public Grounds	549,017	-	-	-
Culture and Recreation	467,237	212,517	-	-
Interest on Long-Term Debt	13,227	-	-	-
Total Governmental Activities	5,495,587	824,088	123,039	-
Business-Type Activities				
Water	2,258,454	1,938,898	-	-
Sewer Maintenance	886,842	476,208	-	-
Refuse and Recycling	360,784	360,211	-	-
Commuter Parking Lot	90,327	103,301	-	-
Total Business-Type Activities	3,596,407	2,878,618	-	-
Total Primary Government	9,091,994	3,702,706	123,039	-

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

Change in Net Position

Net Position - Beginning as Restated

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
(286,223)	-	(286,223)
(2,360,710)	-	(2,360,710)
(1,084,563)	-	(1,084,563)
(549,017)	-	(549,017)
(254,720)	-	(254,720)
(13,227)	-	(13,227)
(4,548,460)	-	(4,548,460)
-	(319,556)	(319,556)
-	(410,634)	(410,634)
-	(573)	(573)
-	12,974	12,974
-	(717,789)	(717,789)
(4,548,460)	(717,789)	(5,266,249)
1,422,799	-	1,422,799
210,717	-	210,717
445,823	-	445,823
210,148	-	210,148
846,293	-	846,293
470,590	-	470,590
47,291	2,337	49,628
545,541	67,516	613,057
175,000	(175,000)	-
4,374,202	(105,147)	4,269,055
(174,258)	(822,936)	(997,194)
1,695,963	19,158,709	20,854,672
1,521,705	18,335,773	19,857,478

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

VILLAGE OF PALOS PARK, ILLINOIS**Balance Sheet - Governmental Funds
April 30, 2019**

	General	Nonmajor	Totals
ASSETS			
Cash and Investments	\$ 1,436,800	928,828	2,365,628
Receivables - Net of Allowances			
Taxes	992,345	45,801	1,038,146
Accounts	25,088	-	25,088
Other	19,592	-	19,592
Due from Other Governments	-	10,729	10,729
Due from Other Funds	45,029	-	45,029
Prepays	191,097	-	191,097
Total Assets	<u>2,709,951</u>	<u>985,358</u>	<u>3,695,309</u>
LIABILITIES			
Accounts Payable	277,204	2,025	279,229
Accrued Payroll	103,800	-	103,800
Deposits Payable	-	-	-
Other Payables	-	111,031	111,031
Total Liabilities	<u>381,004</u>	<u>113,056</u>	<u>494,060</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	735,239	-	735,239
Total Liabilities and Deferred Inflows of Resources	<u>1,116,243</u>	<u>113,056</u>	<u>1,229,299</u>
FUND BALANCES			
Nonspendable	191,097	-	191,097
Restricted	5,178	885,535	890,713
Assigned	-	19,208	19,208
Unassigned	1,397,433	(32,441)	1,364,992
Total Fund Balances	<u>1,593,708</u>	<u>872,302</u>	<u>2,466,010</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>2,709,951</u>	<u>985,358</u>	<u>3,695,309</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, 2019

Total Governmental Fund Balances	\$ 2,466,010
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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.	4,440,843
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	424,179
Deferred Items - SLEP	45,455
Deferred Items - Police Pension	(15,273)
Deferred Items - RBP	2,554

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(237,697)
Net Pension Liability - IMRF	(1,022,238)
Net Pension Liability - SLEP	(109,747)
Net Pension Liability - Police Pension	(4,023,078)
Total OPEB Liability - RBP	(169,416)
Debt Certificates Payable	(275,000)
Accrued Interest Payable	(4,887)

Net Position of Governmental Activities	<u>1,521,705</u>
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VILLAGE OF PALOS PARK, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2019**

	General	Nonmajor	Totals
Revenues			
Taxes	\$ 2,078,770	210,717	2,289,487
Intergovernmental	1,316,883	123,039	1,439,922
Licenses and Permits	411,870	-	411,870
Charges for Services	212,517	-	212,517
Fines and Forfeitures	134,232	65,469	199,701
Interest	28,444	18,847	47,291
Miscellaneous	499,959	45,582	545,541
Total Revenues	4,682,675	463,654	5,146,329
Expenditures			
Current			
General Government	633,516	-	633,516
Public Safety	2,271,971	11,608	2,283,579
Public Works	550,653	102,083	652,736
Building and Grounds	543,466	645	544,111
Culture and Recreation	435,408	24,898	460,306
Capital Outlay	4,906	622,525	627,431
Debt Service			
Principal Retirement	-	30,000	30,000
Interest and Fiscal Charges	-	13,742	13,742
Total Expenditures	4,439,920	805,501	5,245,421
Excess (Deficiency) of Revenues Over (Under) Expenditures	242,755	(341,847)	(99,092)
Other Financing Sources (Uses)			
Transfers In	-	178,742	178,742
Transfers Out	-	(3,742)	(3,742)
Disposal of Capital Assets	-	40,000	40,000
	-	215,000	215,000
Net Change in Fund Balances	242,755	(126,847)	115,908
Fund Balances - Beginning	1,350,953	999,149	2,350,102
Fund Balances - Ending	1,593,708	872,302	2,466,010

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, 2019

Net Change in Fund Balances - Total Governmental Funds **\$ 115,908**

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	54,181
Depreciation Expense	(173,279)

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

Change in Deferred Items - IMRF	774,866
Change in Deferred Items - SLEP	75,793
Change in Deferred Items - Police Pension	(414,066)
Change in Deferred Items - RBP	2,554

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.

(Additions) to Compensated Absences Payable	(27,001)
(Additions) to Net Pension Liability - IMRF	(715,721)
(Additions) to Net Pension Liability - SLEP	(67,670)
Deductions to Net Pension Liability - Police Pension	180,023
(Additions) to Total OPEB Liability - RBP	(10,361)
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.

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Changes in Net Position of Governmental Activities

(174,258)

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, 2019**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
ASSETS					
Current Assets					
Cash and Investments	\$ 1,841,117	1,245,444	-	103,145	3,189,706
Receivables - Net of Allowances					
Accounts	237,864	49,579	61,764	-	349,207
Prepays	1,600	1,400	-	395	3,395
Total Current Assets	2,080,581	1,296,423	61,764	103,540	3,542,308
Noncurrent Assets					
Capital Assets					
Nondepreciable	20,000	-	-	-	20,000
Depreciable	18,738,629	17,454,935	-	21,356	36,214,920
Accumulated Depreciation	(9,690,409)	(9,877,254)	-	(3,203)	(19,570,866)
Total Noncurrent Assets	9,068,220	7,577,681	-	18,153	16,664,054
Total Assets	11,148,801	8,874,104	61,764	121,693	20,206,362
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	177,147	67,752	-	-	244,899
Deferred Items - RBP	621	198	-	-	819
Total Deferred Outflows of Resources	177,768	67,950	-	-	245,718
Total Assets and Deferred Outflows of Resources	11,326,569	8,942,054	61,764	121,693	20,452,080

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	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 110,923	54,333	30,738	2,237	198,231
Accrued Payroll	13,931	5,402	-	-	19,333
Other Payables	1,150	-	-	-	1,150
Accrued Interest	19,982	717	-	-	20,699
Due to Other Funds	-	-	45,029	-	45,029
Current Portion of					
Long-Term Debt	123,892	44,548	-	-	168,440
Total Current Liabilities	269,878	105,000	75,767	2,237	452,882
Noncurrent Liabilities					
Compensated Absences Payable	24,370	9,388	-	-	33,758
Net Pension Liability - IMRF	346,712	132,604	-	-	479,316
Total OPEB Liability - RBP	41,215	13,130	-	-	54,345
General Obligation Bonds	1,050,000	-	-	-	1,050,000
Total Noncurrent Liabilities	1,462,297	155,122	-	-	1,617,419
Total Liabilities	1,732,175	260,122	75,767	2,237	2,070,301
DEFERRED INFLOWS OF RESOURCES					
Deferred Items - IMRF	33,278	12,728	-	-	46,006
Total Liabilities and Deferred Inflows of Resources	1,765,453	272,850	75,767	2,237	2,116,307
NET POSITION					
Net Investment in Capital Assets	7,900,420	7,535,481	-	18,153	15,454,054
Unrestricted (Deficit)	1,660,696	1,133,723	(14,003)	101,303	2,881,719
Total Net Position	9,561,116	8,669,204	(14,003)	119,456	18,335,773

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, 2019**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
Operating Revenues					
Charges for Services	\$ 1,925,470	474,908	360,211	103,301	2,863,890
Sale of Water Meters	11,630	-	-	-	11,630
Miscellaneous	1,798	1,300	-	-	3,098
Total Operating Revenues	1,938,898	476,208	360,211	103,301	2,878,618
Operating Expenses					
Personnel	450,048	179,678	-	-	629,726
Commodities	53,767	32,946	-	6,653	93,366
Water Purchases	742,681	-	-	-	742,681
Services	445,707	137,793	360,784	82,607	1,026,891
Capital Outlay	17,875	65,819	-	-	83,694
Depreciation	492,801	467,192	-	1,067	961,060
Total Operating Expenses	2,202,879	883,428	360,784	90,327	3,537,418
Operating Income (Loss)	(263,981)	(407,220)	(573)	12,974	(658,800)
Nonoperating Revenues (Expenses)					
Interest Income	1,850	294	-	193	2,337
Rental Income	19,000	-	-	-	19,000
Tap-On Fees	25,102	23,414	-	-	48,516
Interest Expense	(55,575)	(3,414)	-	-	(58,989)
	(9,623)	20,294	-	193	10,864
Income (Loss) Before Transfers	(273,604)	(386,926)	(573)	13,167	(647,936)
Transfers In	-	30,000	-	-	30,000
Transfers Out	(130,000)	(75,000)	-	-	(205,000)
	(130,000)	(45,000)	-	-	(175,000)
Change in Net Position	(403,604)	(431,926)	(573)	13,167	(822,936)
Net Position - Beginning as Restated	9,964,720	9,101,130	(13,430)	106,289	19,158,709
Net Position - Ending	9,561,116	8,669,204	(14,003)	119,456	18,335,773

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, 2019**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 1,886,920	460,562	359,625	103,627	2,810,734
Payments to Suppliers	(1,274,407)	(185,481)	(359,625)	(87,768)	(1,907,281)
Payments to Employees	(344,876)	(132,346)	-	-	(477,222)
	<u>267,637</u>	<u>142,735</u>	<u>-</u>	<u>15,859</u>	<u>426,231</u>
Cash Flows from Noncapital Financing Activities					
Transfers In	-	30,000	-	-	30,000
Transfers Out	(130,000)	(75,000)	-	-	(205,000)
	<u>(130,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	-	(63,104)	-	-	(63,104)
Principal Retirement	(130,032)	(39,200)	-	-	(169,232)
Interest Expense	(55,575)	(3,414)	-	-	(58,989)
	<u>(185,607)</u>	<u>(105,718)</u>	<u>-</u>	<u>-</u>	<u>(291,325)</u>
Cash Flows from Investing Activities					
Interest Income	1,850	294	-	193	2,337
Net Change in Cash and Cash Equivalents	<u>(46,120)</u>	<u>(7,689)</u>	<u>-</u>	<u>16,052</u>	<u>(37,757)</u>
Cash and Cash Equivalents - Beginning	<u>1,887,237</u>	<u>1,253,133</u>	<u>-</u>	<u>87,093</u>	<u>3,227,463</u>
Cash and Cash Equivalents - Ending	<u>1,841,117</u>	<u>1,245,444</u>	<u>-</u>	<u>103,145</u>	<u>3,189,706</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(263,981)	(407,220)	(573)	12,974	(658,800)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	492,801	467,192	-	1,067	961,060
Other Income (Expense)	44,102	23,414	-	-	67,516
(Increase) Decrease in Current Assets	(96,080)	(39,060)	(586)	326	(135,400)
Increase (Decrease) in Current Liabilities	90,795	98,409	1,159	1,492	191,855
Net Cash Provided by Operating Activities	<u>267,637</u>	<u>142,735</u>	<u>-</u>	<u>15,859</u>	<u>426,231</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, 2019

	<u>Pension Trust</u>	
	<u>Police</u>	<u>Agency</u>
	<u>Pension</u>	
ASSETS		
Cash and Cash Equivalents	\$ 157,393	1,165,104
Investments		
U.S. Treasury Obligations	140,357	
U.S. Agency Obligations	837,147	-
Municipal Bonds	102,294	-
Corporate Bonds	684,398	-
Mutual Funds	1,401,377	-
Receivables		
Accounts Receivables	-	506,816
Accrued Interest	<u>16,112</u>	<u>-</u>
Total Assets	3,339,078	<u><u>1,671,920</u></u>
LIABILITIES		
Due to Bondholders	<u>-</u>	<u><u>1,671,920</u></u>
NET POSITION		
Net Position Restricted for Pensions	<u><u>3,339,078</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, 2019**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 250,000
Contributions - Plan Members	77,130
Total Contributions	<u>327,130</u>
Investment Earnings	
Interest Earned	146,212
Net Change in Fair Value	42,134
	<u>188,346</u>
Less Investment Expenses	(11,624)
Net Investment Income	<u>176,722</u>
Total Additions	<u>503,852</u>
Deductions	
Administration	1,455
Benefits and Refunds	185,283
Total Deductions	<u>186,738</u>
Change in Fiduciary Net Position	317,114
Net Position - Beginning	<u>3,021,964</u>
Net Position - Ending	<u><u>3,339,078</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, 2019

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 Trustees 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, 2019

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 foods, 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, 2019

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 five 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, 2019

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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

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.

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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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 inflow 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, 2019

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. Prepaids 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, 2019**

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 acquisition 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, 2019

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/reduction 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, 2019

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.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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:

<u>Fund</u>	<u>Excess</u>
General	\$ 29,478
Police Forfeiture	38,724
Capital Improvements	245
Refuse and Recycling	4,406
Police Pension	14,988

DEFICIT FUND BALANCE/NET POSITION

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

<u>Fund</u>	<u>Deficit</u>
Police Forfeiture	\$ 32,441
Refuse and Recycling	14,003

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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, 2019

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. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold. The Illinois Funds is not registered with the SEC as an Investment Company.

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 \$5,097,357 and the bank balances totaled \$5,443,213. In addition, the Village had \$238,589 invested in Illinois Funds and \$219,388 invested in IMET, which are measured at the net asset value per share as determined by 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 investment in the Illinois Funds and was rated AAAM by Standard & Poor's and the IMET Convenience Fund is not rated.

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 year-end, the Village does not have any investments over five percent of the total cash and investment portfolio (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, 2019

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, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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 \$157,393 and the bank balances totaled \$157,393.

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. Treasury Obligations	\$ 140,357	89,959	50,398	-	-
U.S. Agency Obligations	837,147	75,912	397,242	363,993	-
Municipal Bonds	102,294	-	102,294	-	-
Corporate Bonds	684,398	50,489	455,198	178,711	-
	1,764,196	216,360	1,005,132	542,704	-

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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

Investments – Continued. The Fund has the following recurring fair value measurements as of April 30, 2019:

	Total	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. Treasury Obligations	\$ 140,357	140,357	-	-
U.S. Agency Obligations	837,147	-	837,147	-
Municipal Bonds	102,294	-	102,294	-
Corporate Bonds	684,398	-	684,398	-
	1,764,196	140,357	1,623,839	-
Equity Securities				
Mutual Funds	1,401,377	1,401,377	-	-
	3,165,573	1,541,734	1,623,839	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4(a). 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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2019

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

Custodial Credit Risk. For deposits, the Fund’s investment policy requires all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default. The 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.

Concentration Risk. The Fund’s investment policy requires diversification of investments to avoid unreasonable risk. The average maturity of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 1.0 years to 7.0 years. The investment manager may change the duration of the portfolio as the market conditions permit. 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 \$1,401,377 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%	2.00% - 5.28%
Equities	10.00%	5.12% - 6.34%
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 45%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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 – Continued. 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 2019 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, 2019 are listed in the table above.

Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 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.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them in accordance with budgetary authorizations.

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Nonmajor Governmental	Nonmajor Governmental	\$ 3,742
Nonmajor Governmental	Water	100,000
Nonmajor Governmental	Sewer Maintenance	75,000
Sewer Maintenance	Water	<u>30,000</u>
		<u>208,742</u>

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Refuse and Recycling	<u>\$ 45,029</u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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	4,432,686	-	-	4,432,686
Vehicles and Equipment	1,041,516	54,181	51,632	1,044,065
	<u>5,474,202</u>	<u>54,181</u>	<u>51,632</u>	<u>5,476,751</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,786,617	111,935	-	1,898,552
Vehicles and Equipment	837,632	61,344	51,632	847,344
	<u>2,624,249</u>	<u>173,279</u>	<u>51,632</u>	<u>2,745,896</u>
Total Net Depreciable Capital Assets	<u>2,849,953</u>	<u>(119,098)</u>	<u>-</u>	<u>2,730,855</u>
Total Net Capital Assets	<u><u>4,559,941</u></u>	<u><u>(119,098)</u></u>	<u><u>-</u></u>	<u><u>4,440,843</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 97,037
Public Safety	39,854
Public Works	29,457
Culture and Recreation	<u>6,931</u>
	<u><u>173,279</u></u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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	160,309	-	-	160,309
Water Distribution System	18,578,321	-	-	18,578,321
Sewer Distribution System	17,391,830	63,104	-	17,454,934
	<u>36,151,816</u>	<u>63,104</u>	<u>-</u>	<u>36,214,920</u>
Less Accumulated Depreciation				
Land Improvements	2,136	1,067	-	3,203
Vehicles	134,520	13,976	-	148,496
Water Distribution System	9,063,088	478,825	-	9,541,913
Sewer Distribution System	9,410,062	467,192	-	9,877,254
	<u>18,609,806</u>	<u>961,060</u>	<u>-</u>	<u>19,570,866</u>
 Total Net Depreciable Capital Assets	 <u>17,542,010</u>	 <u>(897,956)</u>	 <u>-</u>	 <u>16,644,054</u>
 Total Net Capital Assets	 <u>17,562,010</u>	 <u>(897,956)</u>	 <u>-</u>	 <u>16,664,054</u>

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

Water	\$ 492,801
Sewer Maintenance	467,192
Commuter Parking Lot	<u>1,067</u>
	<u>961,060</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$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.	\$ 75,000	-	35,000	40,000
\$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.	70,000	-	35,000	35,000
\$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.	1,215,000	-	80,000	1,135,000
	1,360,000	-	150,000	1,210,000

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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.	\$ 305,000	-	30,000	275,000

Special Assessment Bonds Payable

The Village has issued a number of special assessments bonds payable as 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 \$0 at April 30, 2019. Special Assessment 96-1B has a remaining public benefit portion of \$0 at April 30, 2019.

Special assessment bonds outstanding as of April 30, 2019 were paid in full. 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, 2019**

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 Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 210,696	54,002	27,001	237,697	47,539
Net Pension Liability - IMRF	306,517	715,721	-	1,022,238	-
Net Pension Liability - SLEP	42,077	67,670	-	109,747	-
Net Pension Liability - Police Pension	4,203,101	-	180,023	4,023,078	-
Total OPEB Liability - RBP	159,055	10,361	-	169,416	-
Debt Certificates	305,000	-	30,000	275,000	35,000
	5,226,446	847,754	237,024	5,837,176	82,539
Business-Type Activities					
Compensated Absences	39,793	4,810	2,405	42,198	8,440
Net Pension Liability - IMRF	140,328	338,988	-	479,316	-
Total OPEB Liability - RBP	51,020	3,325	-	54,345	-
General Obligation Bonds	1,360,000	-	150,000	1,210,000	160,000
Special Assessment Bonds Payable	19,232	-	19,232	-	-
	1,610,373	347,123	171,637	1,785,859	168,440

For the governmental activities, payments on the compensated absences, the net pension liabilities, and the total OPEB liability 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, net pension liability, and total OPEB 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, 2019**

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	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Debt		General Obligation	
	Certificates		Bonds	
	Principal	Interest	Principal	Interest
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	40,160
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	<u>275,000</u>	<u>49,600</u>	<u>1,210,000</u>	<u>307,145</u>

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 - 2018	<u>\$ 244,916,507</u>
Legal Debt Limit - 8.625% of Assessed Value	21,124,049
Amount of Debt Applicable to Limit	<u>275,000</u>
Legal Debt Margin	<u>20,849,049</u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION

Net Position Restatement

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase (Decrease)</u>
Governmental Activities	\$ 1,855,018	1,695,963	(159,055)
Business-Type Activities	19,209,729	19,158,709	(51,020)
Water	10,003,414	9,964,720	(38,694)
Sewer Maintenance	9,113,456	9,101,130	(12,326)

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.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: a) the Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION - Continued

Fund Balance Classifications - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

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	\$ 191,097	-	191,097
Restricted			
Special Events	641	-	641
Beautification	3,646	-	3,646
McCord	891	-	891
Highways and Streets	-	209,277	209,277
Exaction Fee	-	17,174	17,174
Capital Projects	-	132,095	132,095
Public Infrastructure Improvements	-	526,989	526,989
	<u>5,178</u>	<u>885,535</u>	<u>890,713</u>
Assigned			
Fine Arts	-	19,208	19,208
Unassigned	<u>1,397,433</u>	<u>(32,441)</u>	<u>1,364,992</u>
Total Fund Balances	<u>1,593,708</u>	<u>872,302</u>	<u>2,466,010</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,440,843
Less Capital Related Debt:	
Debt Certificates of 2006	<u>(275,000)</u>
Net Investment in Capital Assets	<u>4,165,843</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	16,664,054
Less Capital Related Debt:	
General Obligation Alternate Revenue Bonds of 2004	(40,000)
General Obligation Alternate Revenue Bonds of 2005	(35,000)
General Obligation Alternate Revenue Bonds of 2010	<u>(1,135,000)</u>
Net Investment in Capital Assets	<u>15,454,054</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, 2019

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.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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 cost-sharing 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. The Village is in cost-sharing arrangement with the Palos Park Library for the IMRF plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 8999 West 123rd 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. 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.

The aggregate amount of pension expense recognized for these pension plans is:

IMRF	\$	101,757
SLEP		12,613
Police Pension		484,043
		<u>598,413</u>

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).

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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. 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.

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.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

	IMRF		
	Village	Library	SLEP
Inactive Plan Members Currently Receiving Benefits	30	2	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	30	0	-
Active Plan Members	27	7	1
Totals	87	9	1

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. For the year-ended April 30, 2019, the Village’s contribution was 10.16% of covered payroll for the Regular Plan and 16.43% for the SLEP Plan.

Net Pension Liability. The net pension liability was measured as of December 31, 2018. 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, 2018, 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	7.25%	Interest Rate	7.25%
Salary Increases	3.39% - 14.25%	Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%	Cost of Living Adjustments	2.50%
Inflation	2.50%	Inflation	2.50%

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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 7.25% for both the Regular Plan and the SLEP Plan, and the prior valuation used 7.50%. 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 is a sensitivity 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:

	IMRF		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability			
Village	\$ 2,500,184	1,501,554	666,303
Library	365,262	219,368	97,343
Totals	2,865,446	1,720,922	763,646
	SLEP		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 205,508	109,747	28,900

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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 – Regular Plan

	Village	Library	Totals
Total Pension Liability			
Service Cost	\$ 153,547	22,432	175,979
Interest	564,053	82,405	646,458
Differences Between Expected and Actual Experience	113,272	23,368	136,640
Change of Assumptions	222,637	32,526	255,163
Benefit Payments, Including Refunds of Member Contributions	(425,046)	(62,097)	(487,143)
Net Change in Total Pension Liability	628,463	98,634	727,097
Total Pension Liability - Beginning	7,671,478	1,103,540	8,775,018
Total Pension Liability - Ending	8,299,941	1,202,174	9,502,115
Plan Fiduciary Net Position			
Contributions - Employer	182,908	26,722	209,630
Contributions - Members	66,432	9,705	76,137
Net Investment Income	(420,518)	(61,435)	(481,953)
Benefit Payments, Including Refunds of Member Contributions	(425,046)	(62,097)	(487,143)
Other (Net Transfer)	169,978	24,833	194,811
Net Change in Plan Fiduciary Net Position	(426,246)	(62,272)	(488,518)
Plan Net Position - Beginning	7,224,633	1,045,078	8,269,711
Plan Net Position - Ending	6,798,387	982,806	7,781,193
Employer's Net Pension Liability	1,501,554	219,368	1,720,922

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

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 – SLEP Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 657,849	615,772	42,077
Changes for the Year:			
Service Cost	23,205	-	23,205
Interest on the Total Pension Liability	50,209	-	50,209
Difference Between Expected and Actual Experience of the Total Pension Liability	(6,097)	-	(6,097)
Changes of Assumptions	21,491	-	21,491
Contributions - Employer	-	20,442	(20,442)
Contributions - Employees	-	9,394	(9,394)
Net Investment Income	-	(9,368)	9,368
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	670	(670)
Net Changes	88,808	21,138	67,670
Balances at December 31, 2018	746,657	636,910	109,747

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

For the year ended April 30, 2019, the Village recognized pension expense of \$101,757 for the regular plan and a pension expense of \$12,613 for the SLEP Plan and the Library recognized pension expense of \$22,883 for the regular plan. At April 30, 2019, 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, 2019**

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

	Village		Library		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 108,400	(22,722)	15,837	(3,320)	98,195
Change in Assumptions	159,683	(121,401)	23,329	(17,736)	43,875
Net Difference Between Projected and Actual	450,822	-	65,862	-	516,684
Total Pension Expense to be Recognized in Future Periods	718,905	(144,123)	105,028	(21,056)	658,754
Pension Contributions Made Subsequent to the Measurement Date	48,290	-	7,055	-	55,345
Total Deferred Amounts Related to IMRF	<u>767,195</u>	<u>(144,123)</u>	<u>112,083</u>	<u>(21,056)</u>	<u>714,099</u>

\$55,345 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. 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 (Inflows) of Resources		
	Village	Library	Totals
2020	\$ 174,678	25,519	200,197
2021	103,301	15,092	118,393
2022	104,509	15,268	119,777
2023	192,294	28,093	220,387
2024	-	-	-
Thereafter	-	-	-
Totals	<u>574,782</u>	<u>83,972</u>	<u>658,754</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2019

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

	SLEP		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 19,442	(34,412)	(14,970)
Change in Assumptions	23,886	(944)	22,942
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	31,000	-	31,000
	<u>74,328</u>	<u>(35,356)</u>	<u>38,972</u>
Pension Contributions Made Subsequent to the Measurement Date	6,483	-	6,483
	<u>80,811</u>	<u>(35,356)</u>	<u>45,455</u>

\$6,483 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. 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	SLEP	
	Net Deferred Outflows of Resources	
2020	\$	6,190
2021		11,301
2022		7,731
2023		13,723
2024		27
Thereafter		<u>-</u>
Total		<u>38,972</u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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, 2019, 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>8</u>
Total	<u><u>12</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, 2019

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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or 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, 2019, the Village's contribution was 30.65% 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, 2019**

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, 2019, 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	2.50% - 20.75%
Cost of Living Adjustments	3.25%
Inflation	2.50%

Mortality rates were based on the Independent Actuary Assumption Study for Police 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

Discount Rate

A Single Discount Rate of 5.71% was used to measure the total pension liability and the prior year the discount rate of 5.57% was used. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.00%, the municipal bond rate is 3.79%, and the resulting single discount rate is 5.71%.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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 (4.71%)	Current Discount Rate (5.71%)	1% Increase (6.71%)
Net Pension Liability	\$ 5,318,833	4,023,078	2,994,344

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 7,225,065	3,021,964	4,203,101
Changes for the Year:			
Service Cost	237,104	-	237,104
Interest on the Total Pension Liability	397,276	-	397,276
Difference Between Expected and Actual Experience of the Total Pension Liability	(148,438)	-	(148,438)
Changes of Assumptions	(163,568)	-	(163,568)
Contributions - Employer	-	250,000	(250,000)
Contributions - Employees	-	77,130	(77,130)
Net Investment Income	-	176,722	(176,722)
Benefit Payments, including Refunds of Employee Contributions	(185,283)	(185,283)	-
Other (Net Transfer)	-	(1,455)	1,455
Net Changes	137,091	317,114	(180,023)
Balances at April 30, 2019	7,362,156	3,339,078	4,023,078

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

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, 2019, the Village recognized pension expense of \$484,043. At April 30, 2019, 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	\$ 56,429	(468,081)	(411,652)
Change in Assumptions	584,739	(269,528)	315,211
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>81,168</u>	-	<u>81,168</u>
Total Deferred Amounts Related to Police Pension	<u><u>722,336</u></u>	<u><u>(737,609)</u></u>	<u><u>(15,273)</u></u>

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
2020	\$ 110,867
2021	58,107
2022	(29,491)
2023	(39,042)
2024	(15,746)
Thereafter	<u>(99,968)</u>
Total	<u><u>(15,273)</u></u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare benefits for retirees and their dependents. The benefit terms provide for the individual to pay the entire cost of health insurance premiums for non-Medicare eligible retirees and supplemental health insurance premiums for Medicare-eligible retirees.

Plan Membership. As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>33</u>
Total	<u><u>33</u></u>

Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.75%
Discount Rate	3.79%
Healthcare Cost Trend Rates	6.6% for 2019, decreasing 0.2% per year to an ultimate rate of 5.0% for 2027 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Mortality rates were based on the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. The actuarial assumptions used in the April 30, 2019 valuation were based on the results of an actuarial experience study for the period May 1, 2018 – April 30, 2019.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2018	\$ 210,075
Changes for the Year:	
Service Cost	9,273
Interest on the Total OPEB Liability	8,193
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	3,621
Benefit Payments	<u>(7,401)</u>
Net Changes	<u>13,686</u>
Balance at April 30, 2019	<u><u>223,761</u></u>

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	\$ 245,926	223,761	204,831

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 199,351	223,761	252,672

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Village recognized OPEB expense of \$17,714. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	3,373	-	3,373
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>3,373</u>	-	<u>3,373</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 248
2021	248
2022	248
2023	248
2024	248
Thereafter	<u>2,133</u>
Total	<u>3,373</u>

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

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefits Plan

- 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, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 183,004	\$ 183,004	\$ -	\$ 1,419,733	12.89%
2017	214,408	213,299	(1,109)	1,648,028	12.94%
2018	200,735	200,735	-	1,657,687	12.11%
2019 Village	174,429	174,429	-	1,481,166	11.78%
Library	25,483	25,483	-	216,389	11.78%
Totals	199,912	199,912	-	1,697,555	11.78%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 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. Information for additional years 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, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 19,269	\$ 19,269	\$ -	\$ 116,504	16.54%
2017	20,362	20,362	-	119,217	17.08%
2018	20,256	20,256	-	123,123	16.45%
2019	20,736	20,736	-	126,200	16.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 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. Information for additional years will be displayed as it becomes available.

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 173,069	\$ 175,000	\$ 1,931	\$ 645,111	27.13%
2016	175,000	200,000	25,000	762,167	26.24%
2017	270,351	200,000	(70,351)	628,629	31.82%
2018	343,328	250,000	(93,328)	664,715	37.61%
2019	313,958	250,000	(63,958)	815,769	30.65%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	6.00%
Retirement Age	50-70
Mortality	RP-2014 Mortality Table (BCHA) Projected to 2017 using improvement scale MP-2016

Note: This schedule is intended to show information for ten years. Information for additional years 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, 2019

	<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 Liability	 <u><u>\$ 1,373,933</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 83.43%
 Covered Payroll	 \$ 1,419,733
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 96.77%

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

2017	2018	2019		Totals
		Village	Library	
188,788	184,441	153,547	22,432	175,979
609,681	646,644	564,053	82,405	646,458
-	-	-	-	-
150,764	(57,978)	113,272	23,368	136,640
(30,456)	(297,962)	222,637	32,526	255,163
(453,156)	(459,664)	(425,046)	(62,097)	(487,143)
465,621	15,481	628,463	98,634	727,097
8,293,916	8,759,537	7,671,478	1,103,540	8,775,018
8,759,537	8,775,018	8,299,941	1,202,174	9,502,115
213,299	194,102	182,908	26,722	209,630
74,642	72,910	66,432	9,705	76,137
472,600	1,336,629	(420,518)	(61,435)	(481,953)
(453,156)	(459,664)	(425,046)	(62,097)	(487,143)
143,112	(244,746)	169,978	24,833	194,811
450,497	899,231	(426,246)	(62,272)	(488,518)
6,919,983	7,370,480	7,224,633	1,045,078	8,269,711
7,370,480	8,269,711	6,798,387	982,806	7,781,193
1,389,057	505,307	1,501,554	219,368	1,720,922
84.14%	94.24%	81.91%	81.75%	81.89%
1,450,955	1,620,225	1,476,259	215,672	1,691,931
95.73%	31.19%	101.71%	101.71%	101.71%

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, 2019

	<u>2016</u>
Total Pension Liability	
Service Cost	\$ 22,925
Interest	38,090
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	82,166
Change of Assumptions	2,613
Benefit Payments, Including Refunds of Member Contributions	<u>-</u>
Net Change in Total Pension Liability	145,794
Total Pension Liability - Beginning	<u>498,443</u>
Total Pension Liability - Ending	<u><u>644,237</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 19,269
Contributions - Members	8,738
Net Investment Income	2,289
Benefit Payments, Including Refunds of Member Contributions	-
Administrative Expense	<u>83,130</u>
Net Change in Plan Fiduciary Net Position	113,426
Plan Net Position - Beginning	<u>443,726</u>
Plan Net Position - Ending	<u><u>557,152</u></u>
Employer's Net Pension Liability	<u><u>\$ 87,085</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.48%
Covered Payroll	\$ 116,504
Employer's Net Pension Liability as a Percentage of Covered Payroll	74.75%

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

2017	2018	2019
22,956	23,049	23,205
48,785	45,070	50,209
-	-	-
(121,692)	(8,779)	(6,097)
(4,883)	9,106	21,491
-	-	-
(54,834)	68,446	88,808
644,237	589,403	657,849
589,403	657,849	746,657
20,362	20,175	20,442
8,941	9,165	9,394
40,231	74,211	(9,368)
-	-	-
(112,148)	(2,317)	670
(42,614)	101,234	21,138
557,152	514,538	615,772
514,538	615,772	636,910
74,865	42,077	109,747
87.30%	93.60%	85.30%
119,217	122,198	125,252
62.80%	34.43%	87.62%

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2019

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 198,253
Interest	290,630
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(115,751)</u>
 Net Change in Total Pension Liability	 373,132
Total Pension Liability - Beginning	<u>4,901,706</u>
 Total Pension Liability - Ending	 <u><u>5,274,838</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	175,000
Contributions - Members	63,574
Net Investment Income	75,014
Benefit Payments, Including Refunds of Member Contributions	(115,751)
Administrative Expense	<u>-</u>
 Net Change in Plan Fiduciary Net Position	 197,837
Plan Net Position - Beginning	<u>2,131,652</u>
 Plan Net Position - Ending	 <u><u>2,329,489</u></u>
 Employer's Net Pension Liability	 <u><u>2,945,349</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 44.16%
 Covered Payroll	 \$ 645,111
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 456.56%

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

2016	2017	2018	2019
208,166	251,198	266,270	237,104
312,935	374,757	391,218	397,276
-	-	-	-
139,203	26,392	(454,778)	(148,438)
500,727	(218,530)	590,072	(163,568)
(118,504)	(142,868)	(176,031)	(185,283)
1,042,527	290,949	616,751	137,091
5,274,838	6,317,365	6,608,314	7,225,065
6,317,365	6,608,314	7,225,065	7,362,156
200,000	200,000	250,000	250,000
74,670	75,391	65,873	77,130
49,037	110,855	108,930	176,722
(118,504)	(142,868)	(176,031)	(185,283)
(1,642)	(1,380)	(1,856)	(1,455)
203,561	241,998	246,916	317,114
2,329,489	2,533,050	2,775,048	3,021,964
2,533,050	2,775,048	3,021,964	3,339,078
3,784,315	3,833,266	4,203,101	4,023,078
40.10%	41.99%	41.83%	45.35%
762,167	628,629	664,715	815,769
496.52%	609.78%	632.32%	493.16%

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2019

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.62%
2016	2.07%
2017	4.25%
2018	3.94%
2019	5.92%

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

VILLAGE OF PALOS PARK, ILLINOIS

Retiree Benefits Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2019**

	2019
Total OPEB Liability	
Service Cost	\$ 9,273
Interest	8,193
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	3,621
Benefit Payments	(7,401)
Net Change in Total OPEB Liability	13,686
Total OPEB Liability - Beginning	210,075
Total OPEB Liability - Ending	223,761
Covered Payroll	\$ 2,267,478
Total OPEB Liability as a Percentage of Covered Payroll	9.87%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	PPO	HMO	H.S.A
2020	6.87%	6.42%	6.96%
2021	6.63%	6.24%	6.71%
2022	6.40%	6.07%	6.47%
2023	6.17%	5.89%	6.22%
2024	5.93%	5.71%	5.98%
2025	5.70%	5.53%	5.73%
2026	5.47%	5.36%	5.49%
2027	5.23%	5.18%	5.24%
2028	5.00%	5.00%	5.00%
Ultimate	5.00%	5.00%	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

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, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 2,063,875	2,078,770	1,969,093
Intergovernmental	1,248,669	1,316,883	1,245,093
Licenses and Permits	430,950	411,870	409,710
Charges for Services	236,975	212,517	164,345
Fines and Forfeitures	86,850	134,232	102,232
Interest	30,000	28,444	31,249
Miscellaneous	392,613	499,959	461,559
Total Revenues	<u>4,489,932</u>	<u>4,682,675</u>	<u>4,383,281</u>
Expenditures			
General Government	664,076	633,516	705,120
Public Safety	2,191,025	2,271,971	2,193,191
Public Works	543,026	550,653	529,386
Building and Public Grounds	519,718	543,466	409,735
Culture and Recreation	489,847	435,408	449,081
Capital Outlay	2,750	4,906	37,535
Total Expenditures	<u>4,410,442</u>	<u>4,439,920</u>	<u>4,324,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,490	242,755	59,233
Other Financing (Uses) Transfers Out	<u>(44,966)</u>	-	<u>(26,657)</u>
Net Change in Fund Balance	<u>34,524</u>	242,755	32,576
Fund Balance - Beginning		<u>1,350,953</u>	<u>1,318,377</u>
Fund Balance - Ending		<u>1,593,708</u>	<u>1,350,953</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
- Consolidated Year-End Financial Report

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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.

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

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.

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.

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
 For the Fiscal Year Ended April 30, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18 Actual
	Original and Final Budget	Actual	
Taxes			
Property Taxes	\$ 1,432,925	1,422,799	1,340,768
Utility Taxes	414,320	445,823	421,304
Other Taxes	216,630	210,148	207,021
Total Taxes	2,063,875	2,078,770	1,969,093
Intergovernmental			
State Income Tax	464,343	470,590	439,535
Sales Tax	784,326	846,293	805,558
Total Intergovernmental	1,248,669	1,316,883	1,245,093
Licenses and Permits	430,950	411,870	409,710
Charges for Services	236,975	212,517	164,345
Fines and Forfeitures	86,850	134,232	102,232
Interest	30,000	28,444	31,249
Miscellaneous			
Fees by Agreement	285,088	255,285	256,345
Miscellaneous	107,525	244,674	205,214
Total Miscellaneous	392,613	499,959	461,559
Total Revenues	4,489,932	4,682,675	4,383,281

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended April 30, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
General Government			
Administration			
Wages	\$ 284,025	310,351	301,571
Benefits	114,181	91,043	79,552
Insurance	3,150	4,000	9,154
Legal Fees	50,000	48,102	57,771
Other Contractual Services	50,520	51,842	48,677
Commodities	38,550	41,632	45,198
Public Affairs			
Benefits	31,050	21,052	6,248
Insurance	300	300	872
Legal Fees	70,000	36,644	112,209
Consultants, Engineers and Planners	5,000	224	31,824
Other Contractual Services	11,600	13,684	(2,003)
Commodities	2,000	2,207	2,130
Finance			
Wages	87,115	86,788	84,656
Benefits	24,513	22,441	22,387
Insurance	1,050	1,050	3,051
Legal Fees	250	108	382
Consultants, Engineers and Planners	52,375	51,837	50,411
Commodities	3,085	4,504	4,066
Other			
Other Contractual Services	4,500	4,575	6,152
	<u>833,264</u>	<u>792,384</u>	<u>864,308</u>
Less Administrative Charges	<u>(169,188)</u>	<u>(158,868)</u>	<u>(159,188)</u>
Total General Government	<u>664,076</u>	<u>633,516</u>	<u>705,120</u>
Public Safety			
Wages	1,331,500	1,320,394	1,275,988
Benefits	507,150	482,490	475,830
Insurance	12,300	50,926	35,743
Legal Fees	20,000	42,805	37,084

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
 For the Fiscal Year Ended April 30, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		
	Original and Final Budget	Actual	4/30/18 Actual
Public Safety - Continued			
Other Contractual Services	\$ 228,750	260,346	274,253
Commodities	91,325	115,010	94,293
Total Public Safety	2,191,025	2,271,971	2,193,191
Public Works			
Wages	247,500	272,469	243,126
Benefits	109,101	76,827	93,673
Insurance	3,300	3,300	9,590
Legal Fees	500	753	1,107
Other Contractual Services	140,750	159,810	143,961
Commodities	41,875	37,494	37,929
Total Public Works	543,026	550,653	529,386
Building and Public Grounds			
Building			
Wages	195,800	196,368	167,542
Benefits	54,928	50,402	43,410
Insurance	1,650	1,650	4,795
Legal Fees	20,000	19,645	26,294
Other Contractual Services	129,700	135,597	46,491
Commodities	8,150	6,039	6,491
Public Grounds			
Insurance	900	900	5,207
Other Contractual Services	94,400	128,542	91,691
Commodities	14,190	4,323	17,814
Total Building and Public Grounds	519,718	543,466	409,735

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
 For the Fiscal Year Ended April 30, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original Budget	Actual	Actual
Culture and Recreation			
Recreation			
Wages	\$ 230,775	198,401	212,496
Benefits	63,907	55,022	46,588
Insurance	2,400	2,773	6,974
Legal Fees	250	616	-
Other Contractual Services	91,140	69,017	80,727
Commodities	35,700	29,719	32,429
Festivals			
Other Contractual Services	55,225	65,458	58,466
Commodities	10,450	14,402	11,401
Total Culture and Recreation	489,847	435,408	449,081
Capital Outlay			
Building and Public Grounds	2,750	4,906	18,230
Recreation	-	-	19,305
Total Capital Outlay	2,750	4,906	37,535
Total Expenditures	4,410,442	4,439,920	4,324,048

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2019

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 314,625	614,203	928,828
Receivables - Net of Allowances			
Other Taxes	-	45,801	45,801
Due from Other Governments	10,729	-	10,729
Total Assets	325,354	660,004	985,358
LIABILITIES			
Accounts Payable	1,105	920	2,025
Other Payables	111,031	-	111,031
Total Liabilities	112,136	920	113,056
FUND BALANCES			
Restricted	226,451	659,084	885,535
Assigned	19,208	-	19,208
Unassigned	(32,441)	-	(32,441)
Total Fund Balances	213,218	659,084	872,302
Total Liabilities and Fund Balances	325,354	660,004	985,358

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, 2019**

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ -	210,717	210,717
Intergovernmental	123,039	-	123,039
Fines and Forfeitures	65,469	-	65,469
Interest	7,463	11,384	18,847
Miscellaneous	44,151	1,431	45,582
Total Revenues	240,122	223,532	463,654
Expenditures			
Public Safety	11,608	-	11,608
Public Works	102,083	-	102,083
Building and Grounds	-	645	645
Culture and Recreation	24,898	-	24,898
Capital Outlay	237,116	385,409	622,525
Debt Service			
Principal Retirement	30,000	-	30,000
Interest and Fiscal Charges	13,742	-	13,742
Total Expenditures	419,447	386,054	805,501
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,325)	(162,522)	(341,847)
Other Financing Sources (Uses)			
Transfers In	3,742	175,000	178,742
Transfers Out	(3,742)	-	(3,742)
Disposal of Capital Assets	40,000	-	40,000
	40,000	175,000	215,000
Net Change in Fund Balances	(139,325)	12,478	(126,847)
Fund Balances - Beginning	352,543	646,606	999,149
Fund Balances - Ending	213,218	659,084	872,302

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2019

	Motor Fuel Tax	Police Forfeiture	Land Acquisition and Recreation	Exaction Fee	Fine Arts	Totals
ASSETS						
Cash and Investments	\$ 199,653	78,590	-	17,174	19,208	314,625
Due from Other Governments	10,729	-	-	-	-	10,729
Total Assets	210,382	78,590	-	17,174	19,208	325,354
LIABILITIES						
Accounts Payable	1,105	-	-	-	-	1,105
Other Payables	-	111,031	-	-	-	111,031
Total Liabilities	1,105	111,031	-	-	-	112,136
FUND BALANCES						
Restricted	209,277	-	-	17,174	-	226,451
Assigned	-	-	-	-	19,208	19,208
Unassigned	-	(32,441)	-	-	-	(32,441)
Total Fund Balances	209,277	(32,441)	-	17,174	19,208	213,218
Total Liabilities and Fund Balances	210,382	78,590	-	17,174	19,208	325,354

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, 2019

	Motor Fuel Tax	Police Forfeiture	Land Acquisition and Recreation	Exaction Fee	Fine Arts	Totals
Revenues						
Intergovernmental	\$ 123,039	-	-	-	-	123,039
Fines and Forfeitures	-	65,469	-	-	-	65,469
Interest	7,426	35	-	-	2	7,463
Miscellaneous	-	3,220	-	20,916	20,015	44,151
Total Revenues	130,465	68,724	-	20,916	20,017	240,122
Expenditures						
Public Safety	-	11,608	-	-	-	11,608
Public Works	102,083	-	-	-	-	102,083
Culture and Recreation	-	-	-	-	24,898	24,898
Capital Outlay	180,000	57,116	-	-	-	237,116
Debt Service						
Principal Retirement	-	-	30,000	-	-	30,000
Interest and Fiscal Charges	-	-	13,742	-	-	13,742
Total Expenditures	282,083	68,724	43,742	-	24,898	419,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	(151,618)	-	(43,742)	20,916	(4,881)	(179,325)
Other Financing Sources (Uses)						
Transfers In	-	-	3,742	-	-	3,742
Transfers Out	-	-	-	(3,742)	-	(3,742)
Disposal of Capital Assets	-	-	40,000	-	-	40,000
	-	-	43,742	(3,742)	-	40,000
Net Change in Fund Balances	(151,618)	-	-	17,174	(4,881)	(139,325)
Fund Balances - Beginning	360,895	(32,441)	-	-	24,089	352,543
Fund Balances - Ending	209,277	(32,441)	-	17,174	19,208	213,218

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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18 Actual
	Original and Final Budget	Actual	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 124,810	123,039	123,759
Interest	2,750	7,426	4,061
Total Revenues	<u>127,560</u>	<u>130,465</u>	<u>127,820</u>
Expenditures			
Public Works			
Commodities	110,550	102,083	56,249
Capital Outlay	180,000	180,000	-
Total Expenditures	<u>290,550</u>	<u>282,083</u>	<u>56,249</u>
Net Change in Fund Balance	<u>(162,990)</u>	(151,618)	71,571
Fund Balance - Beginning		<u>360,895</u>	289,324
Fund Balance - Ending		<u>209,277</u>	<u>360,895</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, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Revenues			
Fines and Forfeitures	\$ -	65,469	38,095
Interest	-	35	13
Miscellaneous	-	3,220	360
Total Revenues	-	68,724	38,468
Expenditures			
Public Safety			
Commodities	-	7,588	2,690
Services	-	4,020	5,935
Capital Outlay	30,000	57,116	30,027
Total Expenditures	30,000	68,724	38,652
Net Change in Fund Balance	<u>(30,000)</u>	-	(184)
Fund Balance - Beginning		<u>(32,441)</u>	<u>(32,257)</u>
Fund Balance - Ending		<u>(32,441)</u>	<u>(32,441)</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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Revenues			
Intergovernmental	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	30,000	30,000	30,000
Interest and Fiscal Charges	14,966	13,742	14,966
Total Expenditures	44,966	43,742	44,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,966)	(43,742)	(44,966)
Other Financing Sources			
Transfers In	44,966	3,742	36,331
Disposal of Capital Assets	-	40,000	-
	44,966	43,742	36,331
Net Change in Fund Balance	-	-	(8,635)
Fund Balance - Beginning		-	8,635
Fund Balance - Ending		-	-

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2019

	Capital Improvements	1/2% Sales Tax	Totals
ASSETS			
Cash and Investments	\$ 132,095	482,108	614,203
Receivables - Net of Allowances Sales Tax	-	45,801	45,801
	<hr/>		
Total Assets	132,095	527,909	660,004
	<hr/> <hr/>		
LIABILITIES			
Accounts Payable	-	920	920
FUND BALANCES			
Restricted	132,095	526,989	659,084
	<hr/>		
Total Liabilities and Fund Balances	132,095	527,909	660,004
	<hr/> <hr/>		

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, 2019

	Capital Improvements	1/2% Sales Tax	Totals
Revenues			
Taxes	\$ -	210,717	210,717
Interest	2,876	8,508	11,384
Miscellaneous	-	1,431	1,431
Total Revenues	<u>2,876</u>	<u>220,656</u>	<u>223,532</u>
Expenditures			
Building and Grounds	245	400	645
Capital Outlay	-	385,409	385,409
Total Expenditures	<u>245</u>	<u>385,809</u>	<u>386,054</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,631	(165,153)	(162,522)
Other Financing Sources			
Transfers In	-	175,000	175,000
Net Change in Fund Balances	2,631	9,847	12,478
Fund Balances - Beginning	<u>129,464</u>	<u>517,142</u>	<u>646,606</u>
Fund Balances - Ending	<u><u>132,095</u></u>	<u><u>526,989</u></u>	<u><u>659,084</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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18 Actual
	Original and Final Budget	Actual	
Revenues			
Interest	\$ -	2,876	1,678
Expenditures			
Building and Grounds	-	245	-
Net Change in Fund Balance	<u>-</u>	2,631	1,678
Fund Balance - Beginning		<u>129,464</u>	<u>127,786</u>
Fund Balance - Ending		<u>132,095</u>	<u>129,464</u>

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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18 Actual
	Original and Final Budget	Actual	
Revenues			
Taxes	\$ 190,100	210,717	199,931
Interest	4,000	8,508	6,013
Miscellaneous	-	1,431	2,739
Total Revenues	<u>194,100</u>	<u>220,656</u>	<u>208,683</u>
Expenditures			
Building and Grounds			
Commodities	-	400	1,420
Capital Outlay	400,000	385,409	105,423
Total Expenditures	<u>400,000</u>	<u>385,809</u>	<u>106,843</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(205,900)	(165,153)	101,840
Other Financing Sources			
Transfers In	175,000	175,000	-
Net Change in Fund Balance	<u>(30,900)</u>	9,847	101,840
Fund Balance - Beginning		<u>517,142</u>	<u>415,302</u>
Fund Balance - Ending		<u>526,989</u>	<u>517,142</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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 1,899,520	1,925,470	1,967,663
Sale of Water Meters	3,500	11,630	3,810
Miscellaneous	600	1,798	1,177
Total Operating Revenues	<u>1,903,620</u>	<u>1,938,898</u>	<u>1,972,650</u>
Operating Expenses			
Personnel	562,727	450,048	531,619
Commodities	117,600	53,767	81,672
Water Purchases	700,000	742,681	737,708
Services	444,450	445,707	387,009
Capital Outlay	216,000	17,875	29,343
Total Operating Expenses	<u>2,040,777</u>	<u>1,710,078</u>	<u>1,767,351</u>
Operating Income (Loss)	<u>(137,157)</u>	<u>228,820</u>	<u>205,299</u>
Nonoperating Revenues (Expenses)			
Interest Income	1,500	1,850	1,871
Rental Income	20,000	19,000	19,000
Tap-On Fees	-	25,102	33,629
Principal Retirement	(130,032)	(130,032)	(143,510)
Interest Expense	(55,011)	(55,575)	(58,563)
	<u>(163,543)</u>	<u>(139,655)</u>	<u>(147,573)</u>
Income (Loss) Before Transfers	(300,700)	89,165	57,726
Transfers Out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(30,000)</u>
Income (Loss) Before GAAP Adjustments	<u>(430,700)</u>	(40,835)	27,726
Principal Retirement		130,032	143,510
Capitalized Assets		-	29,343
Depreciation		<u>(492,801)</u>	<u>(498,426)</u>
Change in Net Position		(403,604)	(297,847)
Net Position - Beginning as Restated		<u>9,964,720</u>	<u>10,301,261</u>
Net Position - Ending		<u>9,561,116</u>	<u>10,003,414</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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 470,700	474,908	493,554
Miscellaneous	800	1,300	1,632
Total Operating Revenues	471,500	476,208	495,186
Operating Expenses			
Personnel	209,193	179,678	178,979
Commodities	62,050	32,946	23,455
Services	158,600	137,793	104,126
Capital Outlay	255,000	128,923	7,676
Total Operating Expenses	684,843	479,340	314,236
Operating Income	(213,343)	(3,132)	180,950
Nonoperating Revenues (Expenses)			
Interest Income	-	294	404
Tap-On Fees	-	23,414	37,726
Principal Retirement	(39,200)	(39,200)	(39,200)
Interest Expense	(5,283)	(3,414)	(5,057)
	(44,483)	(18,906)	(6,127)
Income (Loss) Before Transfers	(257,826)	(22,038)	174,823
Transfers In	30,000	30,000	30,000
Transfers Out	(75,000)	(75,000)	-
Income Before GAAP Adjustments	<u>(302,826)</u>	(67,038)	204,823
Principal Retirement		39,200	39,200
Capitalized Assets		63,104	7,676
Depreciation		(467,192)	(466,193)
Change in Net Position		(431,926)	(214,494)
Net Position - Beginning as Restated		9,101,130	9,327,950
Net Position - Ending		<u>8,669,204</u>	<u>9,113,456</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, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)**

	4/30/19		4/30/18 Actual
	Original and Final Budget	Actual	
Operating Revenues			
Charges for Services	\$ 356,378	360,211	356,056
Operating Expenses			
Services	356,378	360,784	357,510
Change in Net Position	<u>-</u>	(573)	(1,454)
Net Position - Beginning		<u>(13,430)</u>	<u>(11,976)</u>
Net Position - Ending		<u>(14,003)</u>	<u>(13,430)</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, 2019
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 85,000	103,301	91,885
Operating Expenses			
Commodities	33,100	6,653	(7,571)
Services	71,650	82,607	72,938
Total Operating Expenses	104,750	89,260	65,367
Operating Income	(19,750)	14,041	26,518
Nonoperating Revenues			
Interest Income	200	193	271
Income (Loss) Before GAAP Adjustments	<u>(19,550)</u>	14,234	26,789
Depreciation		<u>(1,067)</u>	<u>(1,136)</u>
Change in Net Position		13,167	25,653
Net Position - Beginning		<u>106,289</u>	<u>80,636</u>
Net Position - Ending		<u>119,456</u>	<u>106,289</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, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2018)

	4/30/19		4/30/18
	Original and Final Budget	Actual	Actual
Additions			
Contributions - Employer	\$ 250,000	250,000	250,000
Contributions - Plan Members	65,125	77,130	65,873
Total Contributions	<u>315,125</u>	<u>327,130</u>	<u>315,873</u>
Investment Income			
Interest Earned	195,000	146,212	121,760
Net Change in Fair Value	-	42,134	(3,410)
	<u>195,000</u>	<u>188,346</u>	<u>118,350</u>
Less Investment Expenses	(11,000)	(11,624)	(9,420)
Net Investment Income	<u>184,000</u>	<u>176,722</u>	<u>108,930</u>
Total Additions	<u>499,125</u>	<u>503,852</u>	<u>424,803</u>
Deductions			
Administration	1,000	1,455	1,856
Benefits and Refunds	170,750	185,283	176,031
Total Deductions	<u>171,750</u>	<u>186,738</u>	<u>177,887</u>
Change in Fiduciary Net Position	<u><u>327,375</u></u>	317,114	246,916
Net Position Restricted for Pensions			
Beginning		<u>3,021,964</u>	<u>2,775,048</u>
Ending		<u><u>3,339,078</u></u>	<u><u>3,021,964</u></u>

VILLAGE OF PALOS PARK, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended April 30, 2019**

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 1,589,162	2,074	426,132	1,165,104
Accounts Receivables	-	506,816	-	506,816
Total Assets	<u>1,589,162</u>	<u>508,890</u>	<u>426,132</u>	<u>1,671,920</u>
LIABILITIES				
Due to Bondholders	<u>1,589,162</u>	<u>508,890</u>	<u>426,132</u>	<u>1,671,920</u>
Special Assessment Fund #9				
ASSETS				
Cash and Investments	<u>122,767</u>	412	-	<u>123,179</u>
LIABILITIES				
Due to Bondholders	<u>122,767</u>	412	-	<u>123,179</u>
Special Assessment Fund #11				
ASSETS				
Cash and Investments	<u>93,073</u>	435	-	<u>93,508</u>
LIABILITIES				
Due to Bondholders	<u>93,073</u>	435	-	<u>93,508</u>
Special Assessment Fund #12				
ASSETS				
Cash and Investments	<u>184,659</u>	993	-	<u>185,652</u>
LIABILITIES				
Due to Bondholders	<u>184,659</u>	993	-	<u>185,652</u>

	Beginning Balances	Additions	Deductions	Ending Balances
Special Assessment Fund #93-1				
ASSETS				
Cash and Investments	561,432	234	-	561,666
LIABILITIES				
Due to Bondholders	561,432	234	-	561,666
Special Assessment Fund #96-1A				
ASSETS				
Cash and Investments	161,909	-	71,966	89,943
LIABILITIES				
Due to Bondholders	161,909	-	71,966	89,943
Special Assessment Fund #96-1B				
ASSETS				
Cash and Investments	115,552	-	108,351	7,201
LIABILITIES				
Due to Bondholders	115,552	-	108,351	7,201
Special Assessment Fund #13A				
ASSETS				
Cash and Investments	150,920	-	86,471	64,449
LIABILITIES				
Due to Bondholders	150,920	-	86,471	64,449
Special Assessment Fund #13B				
ASSETS				
Cash and Investments	198,850	-	159,344	39,506
Accounts Receivable	-	506,816	-	506,816
Total Assets	198,850	506,816	159,344	546,322
LIABILITIES				
Due to Bondholders	198,850	506,816	159,344	546,322

VILLAGE OF PALOS PARK, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2019**

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 282,083	-	-	282,083
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	8,809,911	8,809,911
	Totals	282,083	-	8,809,911	9,091,994

SUPPLEMENTAL SCHEDULES

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

**General Obligation Alternate Revenue Bonds of 2004
April 30, 2019**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	<u>\$ 40,000</u>	<u>1,640</u>	<u>41,640</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

**General Obligation Alternate Revenue Bonds of 2005
April 30, 2019**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	<u>\$ 35,000</u>	<u>1,417</u>	<u>36,417</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

**General Obligation Alternate Revenue Bonds of 2010
April 30, 2019**

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
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>1,135,000</u>	<u>304,088</u>	<u>1,439,088</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Debt Certificates of 2006

April 30, 2019

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
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>275,000</u>	<u>49,600</u>	<u>324,600</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, 2019 (Unaudited)

	2010	2011	2012	2013
Governmental Activities				
Net Investment in Capital Assets	\$ 3,273,865	3,466,820	3,585,298	3,833,183
Restricted	191,552	841,928	1,202,700	1,300,144
Unrestricted	1,390,918	1,719,120	1,584,791	1,427,640
Total Governmental Activities Net Position	4,856,335	6,027,868	6,372,789	6,560,967
Business-Type Activities				
Net Investment in Capital Assets	22,337,788	20,857,596	20,116,269	19,433,528
Unrestricted	803,652	1,993,789	2,355,704	2,531,844
Total Business-Type Activities Net Position	23,141,440	22,851,385	22,471,973	21,965,372
Primary Government				
Net Investment in Capital Assets	25,611,653	24,324,416	23,701,567	23,266,711
Restricted	191,552	841,928	1,202,700	1,300,144
Unrestricted	2,194,570	3,712,909	3,940,495	3,959,484
Total Primary Government Net Position	27,997,775	28,879,253	28,844,762	28,526,339

Data Source: Audited Financial Statements

* Accrual Basis of Accounting

2014	2015	2016	2017	2018	2019
4,026,741	4,072,934	4,247,176	4,321,833	4,254,941	4,165,843
1,285,489	1,370,146	1,035,595	836,377	1,011,916	890,713
1,312,363	1,142,238	(2,891,941)	(3,043,625)	(3,411,839)	(3,534,851)
6,624,593	6,585,318	2,390,830	2,114,585	1,855,018	1,521,705
18,781,396	18,200,951	17,547,723	16,928,804	16,182,778	15,454,054
2,735,861	2,747,702	2,706,556	2,769,067	3,026,951	2,881,719
21,517,257	20,948,653	20,254,279	19,697,871	19,209,729	18,335,773
22,808,137	22,273,885	21,794,899	21,250,637	20,437,719	19,619,897
1,285,489	1,370,146	1,035,595	836,377	1,011,916	890,713
4,048,224	3,889,940	(185,385)	(274,558)	(384,888)	(653,132)
28,141,850	27,533,971	22,645,109	21,812,456	21,064,747	19,857,478

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2019 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	1,374,284	1,243,199	1,493,087	1,255,154	1,248,865	1,082,473	1,025,499	721,192	895,776	698,093
Public Safety	1,873,156	1,861,070	1,930,667	2,076,275	2,084,277	2,113,476	2,698,289	2,634,989	2,512,388	2,560,411
Public Works	578,961	537,325	637,683	480,874	742,048	1,000,130	1,393,134	1,074,170	1,169,099	1,756,619
Culture and Recreation	309,727	280,567	296,926	364,858	565,181	483,981	562,906	516,908	459,347	467,237
Solid Waste	263,727	276,741	286,300	-	-	-	-	-	-	-
Interest on Long-Term Debt	76,830	55,392	49,317	43,988	35,460	24,007	16,953	15,671	14,456	13,227
Total Governmental Activities Expenses	4,476,685	4,254,294	4,693,980	4,221,149	4,675,831	4,704,067	5,696,781	4,962,930	5,051,066	5,495,587
Business-Type Activities										
Water and Sanitary Sewer	2,381,382	2,474,221	2,554,123	2,868,890	2,929,994	2,877,825	2,878,366	2,983,732	3,072,807	3,145,296
Refuse and Recycling	-	-	-	296,803	303,759	310,069	316,838	354,417	357,510	360,784
Commuter Parking Lot	72,485	76,703	70,087	86,729	90,762	80,204	81,690	82,748	66,503	90,327
Total Business-Type Activities Expenses	2,453,867	2,550,924	2,624,210	3,252,422	3,324,515	3,268,098	3,276,894	3,420,897	3,496,820	3,596,407
Total Primary Government Expenses	6,930,552	6,805,218	7,318,190	7,473,571	8,000,346	7,972,165	8,973,675	8,383,827	8,547,886	9,091,994
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	529,574	697,717	708,470	711,316	651,345	500,102	503,771	426,234	409,710	411,870
Public Safety	319,211	843,639	75,920	124,343	148,039	184,911	106,261	85,555	140,327	199,701
Public Works	4,500	9,852	12,530	12,583	11,174	-	-	-	-	-
Culture and Recreation	172,160	161,816	157,271	171,763	187,498	144,435	163,568	219,006	164,345	212,517
Solid Waste	274,995	303,628	314,705	-	-	-	-	-	-	-
Operating Grants/Contributions	128,535	154,832	274,280	202,430	331,191	145,937	123,981	122,854	123,759	123,039
Capital Grants/Contributions	14,020	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	1,442,995	2,171,484	1,543,176	1,222,435	1,329,247	975,385	897,581	853,649	838,141	947,127
Business-Type Activities										
Charges for Services										
Water and Sanitary Sewer	1,930,305	2,168,890	2,155,904	2,360,503	2,445,317	2,279,851	2,349,245	2,334,433	2,467,836	2,415,106
Refuse and Recycling	-	-	-	322,194	328,314	334,112	339,892	345,398	356,056	360,211
Commuter Parking Lot	82,303	82,105	86,417	87,093	87,443	88,986	97,095	101,901	91,885	103,301
Operating and Capital Grants	-	2,358	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	2,012,608	2,253,353	2,242,321	2,769,790	2,861,074	2,702,949	2,786,232	2,781,732	2,915,777	2,878,618
Total Primary Government Program Revenues	3,455,603	4,424,837	3,785,497	3,992,225	4,190,321	3,678,334	3,683,813	3,635,381	3,753,918	3,825,745

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue										
Governmental Activities	\$ (3,033,690)	(2,082,810)	(3,150,804)	(2,998,714)	(3,346,584)	(3,728,682)	(4,799,200)	(4,109,281)	(4,212,925)	(4,548,460)
Business-Type Activities	(441,259)	(297,571)	(381,889)	(482,632)	(463,441)	(565,149)	(490,662)	(639,165)	(581,043)	(717,789)
Total Primary Government Net (Expense) Revenue	(3,474,949)	(2,380,381)	(3,532,693)	(3,481,346)	(3,810,025)	(4,293,831)	(5,289,862)	(4,748,446)	(4,793,968)	(5,266,249)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	1,053,410	1,179,055	1,232,400	1,206,448	1,212,953	1,259,952	1,311,982	1,311,952	1,340,768	1,422,799
Sales	858,847	785,862	836,166	855,009	846,009	819,655	789,842	977,144	1,005,489	1,057,010
Income	427,237	372,418	365,586	393,386	436,814	472,322	516,556	458,162	439,535	470,590
Utility	620,803	554,177	547,238	535,051	507,016	525,275	442,551	442,015	421,304	445,823
Other	152,995	179,842	239,702	243,637	233,195	236,261	272,394	162,083	207,021	210,148
Investment Income	30,646	5,403	13,018	14,298	6,034	(2,121)	5,543	20,730	43,014	47,291
Miscellaneous	39,587	41,283	20,233	29,815	39,355	51,790	524,000	460,950	496,227	545,541
Gain on Sale of Capital Assets	-	-	-	113,971	1,406	7,966	-	-	-	-
Transfers	-	-	-	4,110	4,110	39,110	30,000	-	-	175,000
Total Governmental Activities	3,183,525	3,118,040	3,254,343	3,395,725	3,286,892	3,410,210	3,892,868	3,833,036	3,953,358	4,374,202
Business-Type Activities										
Investment Income	30,254	3,894	7,516	6,587	2,574	(1,279)	751	1,544	2,546	2,337
Miscellaneous	136,228	71,345	-	-	14,364	55,715	38,568	81,213	90,355	67,516
Transfers	-	-	-	(4,110)	(4,110)	(39,110)	(30,000)	-	-	(175,000)
Total Business-Type Activities	166,482	75,239	7,516	2,477	12,828	15,326	9,319	82,757	92,901	(105,147)
Total Primary Government	3,350,007	3,193,279	3,261,859	3,398,202	3,299,720	3,425,536	3,902,187	3,915,793	4,046,259	4,269,055
Changes in Net Position										
Governmental Activities	149,835	1,035,230	103,539	397,011	(59,692)	(318,472)	(906,332)	(276,245)	(259,567)	(174,258)
Business-Type Activities	(274,777)	(222,332)	(374,373)	(480,155)	(450,613)	(549,823)	(481,343)	(556,408)	(488,142)	(822,936)
Total Primary Government	(124,942)	812,898	(270,834)	(83,144)	(510,305)	(868,295)	(1,387,675)	(832,653)	(747,709)	(997,194)

Data Source: Audited Financial Statements

* Accrual Basis of Accounting

VILLAGE OF PALOS PARK, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2019 (Unaudited)

	2010	2011	2012
General Fund			
Reserved	\$ 58,168	60,215	-
Unreserved	922,908	1,123,958	-
Nonspendable	-	-	63,632
Restricted	-	-	-
Unassigned	-	-	1,336,321
Total General Fund	981,076	1,184,173	1,399,953
All Other Governmental Funds			
Reserved	195,372	841,928	-
Unreserved, Reported in, Special Revenue Funds	90,143	48,281	-
Debt Service Funds			
Capital Projects Funds	491,926	635,138	-
Restricted	-	-	1,202,700
Assigned	-	-	202,005
Unassigned	-	-	-
Total All Other Governmental Funds	777,441	1,525,347	1,404,705
Total All Governmental Funds	1,758,517	2,709,520	2,804,658

Data Source: Audited Financial Statements

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

* Accrual Basis of Accounting

2013	2014	2015	2016	2017	2018	2019
-	-	-	-	-	-	-
-	-	-	-	-	-	-
62,707	54,255	50,988	54,283	161,464	166,918	191,097
-	-	276,732	276,324	3,965	4,415	5,178
1,452,159	1,438,325	1,250,633	1,015,120	1,152,948	1,179,620	1,397,433
1,514,866	1,492,580	1,578,353	1,345,727	1,318,377	1,350,953	1,593,708
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,300,144	1,285,489	1,093,414	759,271	832,412	1,007,501	885,535
127,629	39,925	39,925	30,054	33,392	24,089	19,208
-	-	-	-	(32,257)	(32,441)	(32,441)
1,427,773	1,325,414	1,133,339	789,325	833,547	999,149	872,302
2,942,639	2,817,994	2,711,692	2,135,052	2,151,924	2,350,102	2,466,010

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
 April 30, 2019 (Unaudited)

	2010	2011	2012
Revenues			
Taxes	\$ 3,071,354	3,221,092	3,233,531
Intergovernmental	147,732	163,410	275,619
Licenses and Permits	467,581	471,279	482,653
Charges for Services	50,405	40,464	49,747
Fees by Agreement	619,316	652,044	660,796
Fines and Forfeitures	154,210	844,287	74,361
Investment Income	5,403	13,018	14,298
Miscellaneous	35,034	20,233	29,815
Total Revenues	4,551,035	5,425,827	4,820,820
Expenditures			
General Government	736,570	674,934	609,448
Public Safety	1,789,273	1,863,219	1,869,168
Public Works	533,843	509,153	570,036
Building and Public Grounds	593,998	568,127	793,050
Culture and Recreation	301,616	272,696	288,737
Solid Waste	263,727	276,741	286,300
Capital Outlay	23,157	34,015	100,739
Debt Service			
Principal Retirement	282,279	258,555	274,553
Interest	97,141	54,684	51,732
Total Expenditures	4,621,604	4,512,124	4,843,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,569)	913,703	(22,943)
Other Financing Sources (Uses)			
Transfer In	266,116	171,182	138,220
Transfer Out	(266,116)	(171,182)	(134,110)
Debt Issuance	12,207	37,300	-
Premium/Discount on Installment Contracts	1,085,000	-	-
Disposal of Capital Assets	1,259	-	113,971
Payment to Refunded Bond Escrow Agent	(1,032,991)	-	-
	65,475	37,300	118,081
Net Change in Fund Balances	(5,094)	951,003	95,138
Debt Service as a Percentage of Noncapital Expenditures	8.25%	6.99%	6.80%

Data Source: Audited Financial Statements

* Accrual Basis of Accounting

2013	2014	2015	2016	2017	2018	2019
2,133,625	2,194,108	2,185,689	2,192,094	2,110,579	2,169,024	2,289,487
1,305,910	1,451,972	1,287,008	1,265,212	1,363,631	1,368,852	1,439,922
459,802	372,638	500,102	503,771	426,234	409,710	411,870
59,346	73,253	144,435	163,568	219,006	164,345	212,517
379,232	403,583	-	-	-	-	-
120,507	147,158	184,911	106,261	85,555	140,327	199,701
6,034	(2,121)	3,361	5,543	20,730	43,014	47,291
39,355	51,790	420,622	524,000	460,950	496,227	545,541
4,503,811	4,692,381	4,726,128	4,760,449	4,686,685	4,791,499	5,146,329
604,675	620,088	567,323	870,967	661,854	705,120	633,516
1,960,561	2,037,855	2,101,895	2,233,001	2,172,075	2,201,816	2,283,579
515,661	700,175	607,660	581,525	544,366	585,635	652,736
550,995	549,108	448,021	688,816	541,512	411,155	544,111
356,397	556,380	471,341	546,696	513,331	471,644	460,306
-	-	-	-	-	-	-
63,830	85,922	430,624	399,932	190,500	172,985	627,431
275,239	276,782	332,910	33,921	30,000	30,000	30,000
43,988	37,792	31,320	17,449	16,175	14,966	13,742
4,371,346	4,864,102	4,991,094	5,372,307	4,669,813	4,593,321	5,245,421
132,465	(171,721)	(264,966)	(611,858)	16,872	198,178	(99,092)
118,220	133,220	168,349	246,588	56,175	36,331	178,742
(114,110)	(94,110)	(133,349)	(216,588)	(56,175)	(36,331)	(3,742)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,406	7,966	-	5,218	-	-	40,000
-	-	-	-	-	-	-
5,516	47,076	35,000	35,218	-	-	215,000
137,981	(124,645)	(229,966)	(576,640)	16,872	198,178	115,908
7.62%	6.63%	7.47%	1.02%	1.04%	1.00%	0.84%

VILLAGE OF PALOS PARK, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2019 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Valuation
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	173,752,054	20,181,064	8,973,873	23,303
2015	168,617,169	19,584,654	8,708,669	19,703
2016	176,145,947	20,459,111	9,097,512	20,583
2017	216,816,388	25,182,927	11,198,042	25,335
2018	209,599,547	24,344,701	10,825,310	24,492

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
\$ 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%
101,514	203,031,808	0.6356	609,095,424	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%
126,675	253,349,367	0.5580	760,048,101	33.33%
122,457	244,916,507	0.5920	734,749,521	33.33%

VILLAGE OF PALOS PARK, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2019 (Unaudited)**

	2009	2010	2011
Village Direct Rates			
General	\$ 0.3140	0.3180	0.4020
Illinois Municipal Retirement	0.0300	0.0320	0.0430
Police Pension	-	-	-
Police Protection	0.0380	0.0410	0.0540
Total Direct Rates	0.3820	0.3910	0.4990
Overlapping Rates			
School Districts	7.2300	7.5010	9.0050
Library	0.1230	0.1260	0.1610
County	0.4730	0.4840	0.5570
Fire Protection District	1.1320	1.1930	1.4370
Township	0.7110	0.7420	0.8990
South Palos Sanitary District *	0.2580	0.2530	0.3310
MWRD	0.2610	0.2740	0.3200

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 in the Village.

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

2012	2013	2014	2015	2016	2017	2018
0.4410	0.4710	0.4904	0.5027	0.4767	0.4039	0.4266
0.0500	0.0570	0.0640	0.0708	0.0732	0.0679	0.0728
-	-	-	-	-	-	-
0.0640	0.0720	0.0812	0.0900	0.0931	0.0862	0.0926
0.5550	0.6000	0.6356	0.6635	0.6430	0.5580	0.5920
5.5270	6.0050	6.3060	6.5100	11.1930	9.7710	10.2520
0.1800	0.1950	0.2070	0.2160	0.2100	0.1820	0.2250
0.6080	0.6760	0.6540	0.6720	1.4660	0.6050	0.5660
1.0470	1.0470	1.2010	1.2550	2.1330	1.8550	1.9830
0.1080	0.1180	0.1250	0.1330	0.9320	0.8010	0.8500
0.3920	0.3610	0.4060	0.4210	0.4090	0.3450	0.3660
0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.3960

VILLAGE OF PALOS PARK, ILLINOIS

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago
April 30, 2019 (Unaudited)**

Taxpayer	2018			2011*		
	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)	\$ 6,913,388	1	2.82%			
Sunrise Senior Living	6,319,014	2	2.58%	\$ 5,747,027	3	2.69%
Cog Hill Golf Properties	5,692,376	3	2.32%			
James Marth	2,305,843	4	0.94%	2,409,878	8	1.13%
RDK Ventures	2,179,376	5	0.89%			
Glen Eagles Country Club	1,915,779	6	0.78%			
Inter Cont'l 131st Palos Park	1,458,417	7	0.60%			
Walgreen Co. Tax Dept.	1,226,490	8	0.50%	1,672,124	9	0.78%
Individual	1,220,105	9	0.50%			
Hackney's on the Lake, Inc.	1,124,012	10	0.46%			
CNC/Jewel Food Store				8,559,181	1	4.00%
Shadow Ridge Signature				7,451,871	2	3.48%
Commonwealth Edison Co.				4,290,074	4	2.01%
Park Management & Investment				2,945,345	5	1.38%
Shell Oil Company				2,831,732	6	1.32%
AT&T				2,750,735	7	1.29%
Total	30,354,800		12.39%	38,657,967		18.08%

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. Instead, data for seven years ago has been presented.

VILLAGE OF PALOS PARK, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2019 (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
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	1,323,252	679,477	51.35%	630,728	1,310,205	99.01%
2018	1,411,912	686,077	48.59%	685,255	1,371,332	97.13%
2019	1,447,697	712,458	49.21%	-	712,458	49.21%

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, 2019 (Unaudited)**

Fiscal Year	Governmental Activities		General Obligation Bonds
	Debt Certificates	Installment Notes Payable	
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	1,501,554	1,650,000
2017	335,000	-	1,505,000
2018	305,000	-	1,360,000
2019	275,000	-	1,210,000

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					
Installment Notes Payable	Public Benefit Debt	Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (1)	
\$ -	\$ 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	3,611,206	1.75%	745.04	
-	56,942	1,896,942	0.92%	391.36	
-	19,232	1,684,232	0.66%	347.48	
-	-	1,485,000	0.61%	306.38	

VILLAGE OF PALOS PARK, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Debt Certificates		General Obligation Bonds					
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
2018	305,000		1,360,000		-	1,665,000	0.66%	343.51
2019	275,000		1,210,000		-	1,485,000	0.61%	306.38

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, 2019 (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	\$ 275,000	100.00%	\$ 275,000
Overlapping Debt			
Cook County	2,950,121,750	0.1550%	4,572,689
Cook County Forest Preserve District	145,190,000	0.1550%	225,045
Metropolitan Water Reclamation District	2,377,123,381	0.1580%	3,755,855
South Palos Twp. Sanitary District	378,000	6.2660%	23,685
Lemont Public Library	2,315,000	1.0940%	25,326
Lemont Park District	9,101,000	1.0940%	
Schools			
Comm. Consolidated School Dist. 118	3,825,000	28.6070%	1,094,218
School District 113A	5,486,830	1.0940%	60,026
High School District 210	38,340,000	1.0940%	419,440
High School Dist. 230	8,255,000	4.8350%	399,129
Community College 524	52,635,000	2.3260%	1,224,290
Community College 525	69,785,000	0.0470%	32,799
Total Overlapping Debt	<u>5,662,555,961</u>		<u>11,832,501</u>
Total Direct and Overlapping Debt	<u>5,662,830,961</u>		<u>12,107,501</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, 2019 (Unaudited)**

	2010	2011	2012	2013
Legal Debt Limit	\$ 23,611,027	25,511,830	26,014,985	19,326,057
Total Net Debt Applicable to Limit	660,000	2,295,000	2,175,000	2,055,000
Legal Debt Margin	22,081,927	22,951,027	23,216,830	17,271,057
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.80%	9.00%	8.36%	10.63%

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.

2014	2015	2016	2017	2018	2019
18,210,667	17,511,235	16,993,726	17,752,498	21,851,383	21,124,049
1,925,000	1,790,000	365,000	335,000	305,000	275,000
16,285,667	15,721,235	16,628,726	17,417,498	21,546,383	20,849,049
10.57%	10.22%	2.15%	1.89%	1.40%	1.30%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	<u>\$ 244,916,507</u>
Bonded Debt Limit - 8.625% of Assessed Value	21,124,049
Amount of Debt Applicable to Limit	<u>275,000</u>
Legal Debt Margin	<u>20,849,049</u>

VILLAGE OF PALOS PARK, ILLINOIS

**Pledged Revenue Coverage - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Fiscal Year	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2018	2,489,111	2,044,568	444,543	145,000	60,185	2.17
2019	2,436,250	2,189,418	246,832	150,000	58,989	1.18

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, 2019 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	78,450	9.00%
2013	4,847	429,579,916	77,304	9.40%
2014	4,847	429,579,916	76,700	7.70%
2015	4,847	429,579,916	77,500	6.00%
2016	4,847	374,692,488	77,304	6.50%
2017	4,847	429,579,916	84,609	4.40%
2018	4,847	480,996,892	84,609	3.60%
2019	4,847	480,996,892	84,609	3.60%

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, 2019 (Unaudited)**

Employer	2019		2011	
	Rank	Percentage of Total Village Population	Rank	Percentage of Total Village Employment
Cog Hill Golf Course	1	6.19%		
Holly Family Villa	2	3.88%	1	4.52%
Jewel	3	3.09%	2	4.27%
Sunrise Assisted Living	4	2.06%	3	2.13%
Village of Palos Park	5	1.71%	4	1.30%
Glen Eagles Country Club	6	1.03%		
Francesca's	7	0.76%	5	1.07%
Hackney's	8	0.72%	7	0.58%
Walgreens	9	0.41%	6	1.07%
McDivott's	10	0.25%	8	0.32%
		<u>20.1%</u>		<u>15.26%</u>

Note: Telephone canvass of employers performed in 2018.

VILLAGE OF PALOS PARK, ILLINOIS

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Function/Program	2010	2011	2012
General Government			
Administration	4.30	4.30	4.30
Building and Zoning	3.50	3.50	3.50
Finance	2.00	2.00	2.00
Police			
Officers FT	10.00	9.00	9.00
Officers PT	20.00	22.00	23.00
Civilians	2.00	2.00	2.00
Public Works			
Water Department	4.60	4.60	4.60
Sewer Department	1.40	1.40	1.40
Street Maintenance	4.50	4.50	3.50
Recreation	3.50	2.50	2.50
Totals	55.80	55.80	55.80

Data Source: Village Finance Department Payroll

2013	2014	2015	2016	2017	2018	2019
4.30	4.30	4.30	4.30	4.30	4.30	4.00
3.50	3.50	3.50	3.50	3.50	3.50	3.50
1.50	1.50	1.50	1.50	1.50	1.50	1.50
9.00	9.00	9.00	9.00	9.00	9.00	9.00
24.00	24.00	20.00	23.00	23.00	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	4.50	4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00	3.00	3.00
57.80	57.80	53.80	56.80	56.80	56.80	56.50

VILLAGE OF PALOS PARK, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Public Safety			
Police (1)			
Physical Arrests	170	217	186
Parking Violations	1,209	1,307	987
Traffic Violations	1,213	1,383	885
Public Works			
Street Resurfacing (Miles)	0.25	-	0.66
Pothole Repairs	50-75	75-150	50-75
Water			
New Connections	8	6	4
Water Main Breaks	2	2	7
Average Daily Consumption (2)	416,134	404,000	474,000
Peak Demand	850,000	906,000	969,000

Data Source: Appropriate Village Departmental

(1) Police data is available only on the calendar year; for instance, FY 09 covers January 2008- December 2008.

(2) Average Gallons per Day

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

2013	2014	2015	2016	2017	2018	2019
183	202	211	240	136	223	257
982	997	1,198	1,048	728	1,359	1,260
953	956	1,925	864	470	687	517
0.80	0.90	1.19	1.30	0.10	0.50	20.13
80-140	722.0	1,524.0	2,769	150-175	4,165	6,497
2	8	4	5	4	10	5
4	44	12	15	8	11	7
501,000	437,000	407,813	402,186	408,000	425,000	429,132
823,000	702,000	708,000	750,000	684,000	725,000	810,000

VILLAGE OF PALOS PARK, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Public Safety			
Police			
Stations	1	1	1
Patrol Units	8	8	8
Public Works			
Residential Streets (Miles)	14.70	14.70	14.70
Water			
Water Mains (Miles)	52.24	52.24	52.24
Fire Hydrants	730	730	730
Storage Capacity (Gallons)	1,300,000	1,300,000	1,300,000
Wastewater			
Sanitary Sewer (Miles)	39.37	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.

2013	2014	2015	2016	2017	2018	2019
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
52.24 731 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	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