

FIRST QUARTER REPORT

VILLAGE OF PALOS PARK

FIRST QUARTER BUDGET REPORT

Fiscal Year 2015



We are pleased to offer this financial report of the Village operations for your review. This financial report highlights and summarizes the unaudited financial performance and position of the Village of Palos Park for the period starting May 1, 2014 and ending July 31, 2014. This report will focus on the actual revenues and expenditures compared to our Fiscal Year 2015 approved budget; as well as, actual revenues and expenditures compared to our previous fiscal year. The purpose of this report is to provide the Elected Officials, Department Directors, and the Citizens of Palos Park an update on the Village's fiscal status based on the most recent financial information available. This report provides a highly summarized presentation of how the Village allocates your tax dollars to deliver the essential public services you deserve and expect from the Village of Palos Park.

This report provides valuable information on the Village's revenue sources and expenditure trends that we are carefully tracking. These quarterly reports, along with a host of other financial documents are available for your review on the Village's web site, www.palospark.org

"Illinois is having a tough time, and it's going to be tough for a while," said Mark Vitner, senior economist at Wells Fargo Securities. "We're not seeing the same degree of improvement in Illinois as we're seeing in other areas." As we begin the new fiscal year, the Village's economic trends continue to be bleak. It will be critical to the Village to monitor economic indicators closely and plan for the possibility of a potential financial downturn locally; as well as, other budget vulnerabilities, all of which could have a significant impact on the Village of Palos Park's budget.

The Village appreciates the time you take to review this report and welcomes your comments and suggestions. Do not hesitate to contact the Village with any questions or comments at 708/671-3700 or via email from the Village web site at www.palospark.org

JOHN F. MAHONEY, Mayor
MARIE ARRIGONI, Village Clerk
DAN POLK, Public Health and Safety
JAMES PAVLATOS, Accounts and Finance
G. DARRYL REED, Building and Public Property
NICOLE MILOVICH-WALTERS, Public Works and Streets

VILLAGE OF PALOS PARK

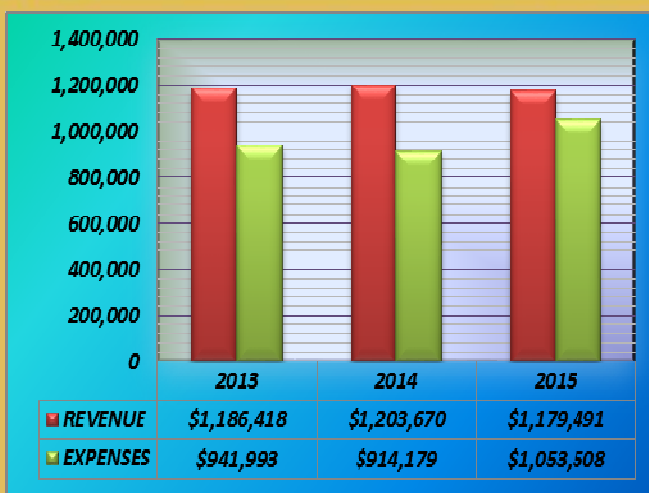
GENERAL FUND REVENUE

The Village ended the first quarter of Fiscal Year 2015 with the General Fund revenue exceeding expenditures and produced a \$125,983 surplus to date. Historically, little spending usually occurs during the first quarter of the fiscal year. Although overall operating revenue in the General Fund came in slightly only 1.44% over budget, expenditures also came in under 1.09% budget in the first quarter of Fiscal Year 2015. Revenues were more than budgeted primarily because state income taxes, rental income, and the Building Department revenue received exceeded original budget projections. Currently, the State of Illinois is still in arrears two months in the amount of \$45,160 which significantly impacts the reported revenue.

PROPERTY TAX REVENUE

Property Tax revenue is the largest and most stable of the Village's revenue source in the General Fund. Property taxes contribute 26% of the total General Fund Revenue. This revenue source follows a strict formula for a non-home rule community under the State of Illinois Tax Cap Law. These tax cap laws allow for an increase in the total real estate levy equal to the change in the Consumer Price Index (CPI). Property tax revenue will increase by CPI each year in total. The Village receives only 6.83% of the total tax bill; while other taxing bodies receive the remaining 93.17% of the property tax bill. The other taxing bodies include the school districts, fire district, county, Library, MWRD, and Moraine Valley. Property tax revenue collections were \$259,369 in total for the first quarter of Fiscal Year 2015; representing 19.85% of the budget projections.

GENERAL FUND REVENUE AND EXPENSE COMPARISON



The Village was founded in a heavily forested area containing an abundance of fertile farmland. Over the past ten decades, this wooded landscape and its tranquil streams have provided refuge for those seeking a peaceful sense of community. . . we still hold dear the historical legacy of this Village and the legacies of those before us, and have maintained the unique, natural setting that is not so easily found today.

Mayor John Mahoney

SALES TAXES

Sales tax collection is another large revenue source for the Village, and generates 14% of the total General Fund Revenue. Currently, State Sales Tax revenue collection is down from the previous fiscal year in the amount of \$4,640 or 2.91%. Economic factors still continue to have a major effect on revenue collections in this fiscal year. Total Sales Tax Revenue of \$675,000 is budgeted for this fiscal year; however, collections to date are under 2.10% of the original budget projection at the close of the first quarter of Fiscal Year 2015. Sales tax collections for the fiscal year is \$154,930 to date.

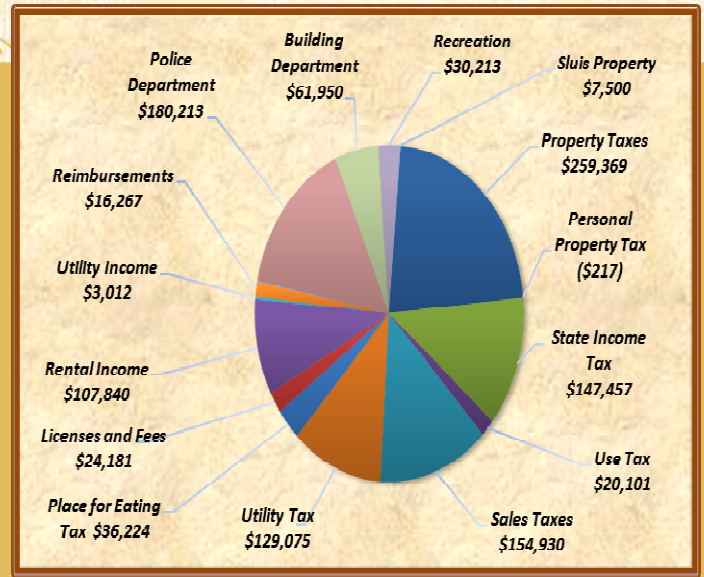
The Village receives an additional ½% of the sales tax on purchases made with the Village. Shopping Palos helps keep the local business community vibrant and healthy, helps fund Village services, and helps maintain Palos's property tax base. Everyday needs, such as groceries and gas, can and should be purchased right here in town. Help support your Village and local businesses.

***** SHOP PALOS PARK FIRST *****

FIRST QUARTER REPORT

INCOME TAXES

Income Tax revenue, as compared to the previous fiscal year, is down \$5,800 or 3.78%. Financial issues of the State of Illinois have impacted collections the last several fiscal years substantially. Income tax payments are still in arrears two months, in the amount of \$145,160, with uncertainty as to when the revenue will be received by the State of Illinois. Our Fiscal Year 2015 budget projections for Income Tax revenue was based on IML estimates of a 3.6% increase over the prior year. Total Income Tax revenue collection for Fiscal Year 2015 is budgeted at \$474,037; however, collections to date are \$147,457 and is \$28,948 more than the original budget projection at the end of the first quarter.



GENERAL FUND REVENUE

FISCAL YEAR 2015 YEAR TO DATE REVENUE COLLECTIONS CHART

UTILITY TAXES

The Village receives utility taxes from ComEd electric, NiCor natural gas, and telephone utility taxes. Utility taxes contribute 12% of the total General Fund revenue. Utility tax collections for the first quarter are up 4.5% as compared to the previous fiscal year. Although the increased collection of utility tax revenue experienced to date in this fiscal year is attributable to a significant increase in collections on gas and only a slight increase on electric utility, 38.14% and 0.44%, respectively. Telecommunication tax revenue is down with a 10.95% decrease from the prior fiscal year. Utility tax collections are up \$5,564 as compared to the prior fiscal year. Total Utility tax collection in Fiscal Year 2015 is budgeted at \$514,500. Total Utility tax collections to date represent 25% of the budgeted amount for the end of first quarter.

TOTAL REVENUE

The Village's governmental fund revenues totaled \$1,179,491 at the end of the first quarter of Fiscal Year 2015. The chart above shows the General Fund revenue by major categories and departments; as well as, the revenue collection percentage to date for the first quarter. The revenue collected to date represents a 2.0% decrease over the same time period in the previous fiscal year. Income taxes, utility income, and the Recreation Department making the largest contribution to the overall decrease in revenue in the current fiscal year. The Village's revenue stream is diverse with no single dominant source; however, the sluggish economy continues to have an impact on the Village's revenues. Revenues have remained stagnant, at low levels, since the recession officially ended. The chart below shows General Fund revenue collections for some of the major sources of revenue for the first quarter of Fiscal Years 2011 through 2015.

REVENUE	FY2011	FY2012	FY2013	FY2014	FY2015
Property Tax	\$ 16,841	\$ 45,872	\$ 316,599	\$ 246,265	\$ 259,369
State Income Tax	\$ 94,011	\$ 93,781	\$ 144,574	\$ 153,268	\$ 147,457
Sales Tax	\$ 146,630	\$ 165,791	\$ 166,926	\$ 159,570	\$ 154,930
Utility Tax	\$ 153,743	\$ 133,443	\$ 120,815	\$ 123,512	\$ 129,075

FIRST QUARTER REPORT

**VILLAGE OF PALOS PARK
OTHER GOVERNMENTAL FUNDS**

1/2 % SALES TAX FUND

This fund is used to account for the proceeds of non-home rule sales tax, and these funds are restricted for use by Public Works for streets, road resurfacing, and drainage capital projects. Revenues in the first quarter of the fiscal year are down minimally with a 0.39% decrease or \$164 over the same time frame in the prior fiscal year; as well as, representing 24.1% of the budget estimate for the fiscal year. Total collection of non-home rule sales tax for the first quarter of the fiscal year was \$42,176. Total expenses for the fiscal year to date were \$21,771. This fund is showing a surplus in the amount of \$20,414 to date.

MOTOR FUEL TAX FUND

This fund is used to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. The allotment represents the Village's share of gasoline taxes. Revenue collections continue to be very stable. Total fiscal year revenue collection of \$51,287 represents 37.7% of the budget projection. Total expenses in the MFT Fund were \$5,930, and represents only 2.5 % of the budget estimate for Fiscal Year 2015. The expenses were less than revenue collected in the first quarter, and this fund shows a surplus of \$45,358 at the end of the first quarter of Fiscal Year 2015. Expenditures in this fund normally occur during the third quarter of any fiscal year, and a better understanding of the financial outcome in this fund will occur in the next quarterly report for Fiscal Year 2015.

The Village website is a great resource for all Village services and events. Financial documents, meeting agendas, minutes, and newsletters can be found online on the Village website: www.palospark.org



Interested in being a BBQ Cook or Judge ~ Chili Cooks & Judge
For information: 708-671-3700



**VILLAGE OF PALOS PARK
CENTENNIAL CELEBRATION!**

AUTUMN IN THE PARK FESTIVAL 2014

September 19th & 20th on the Village Green
8901 W. 123rd Street, Palos Park

Friday, September 19th ~ 5:00 PM to 10:30 PM

Food Vendors, Beer, Wine & Spirits beginning at 5:00 PM
Music by 'MAGGIE SPEAKS' 7:00 PM to 10:00 PM

Saturday, September 20th ~ 12:00 PM to 11:00 PM

2014 Centennial Parade begins at 11:00 AM
Festival Grounds Open at 12:00 PM

Music by 'WALL OF DENIAL' 3:00 PM TO 6:00 PM
Music by 'INFINITY' 7:30 PM to 10:30 PM

'Arts Colony' Fine Arts Area ~ Chili Contest / Tasting ~ BBQ Rib Competition / Tasting ~ Wine Tasting ~ Community Demonstrations ~ Kids Area Activities ~ Food Vendors ~ Beer, Wine & Spirits ~ Sports Cave, Televised College Football

~ Check www.palospark.org for updates of festival information ~

If you should have any questions regarding the information contained in this, or any other Village financial report, please contact the Village's Finance Director, Barbara Maziarek at 708-671-3715, or bmaziarek@palospark.org