

VILLAGE OF PALOS PARK, ILLINOIS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2021**

Prepared by:
Finance Department

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

April 30, 2021

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

Allen L. Altic, CPA - *Finance Director / Treasurer*

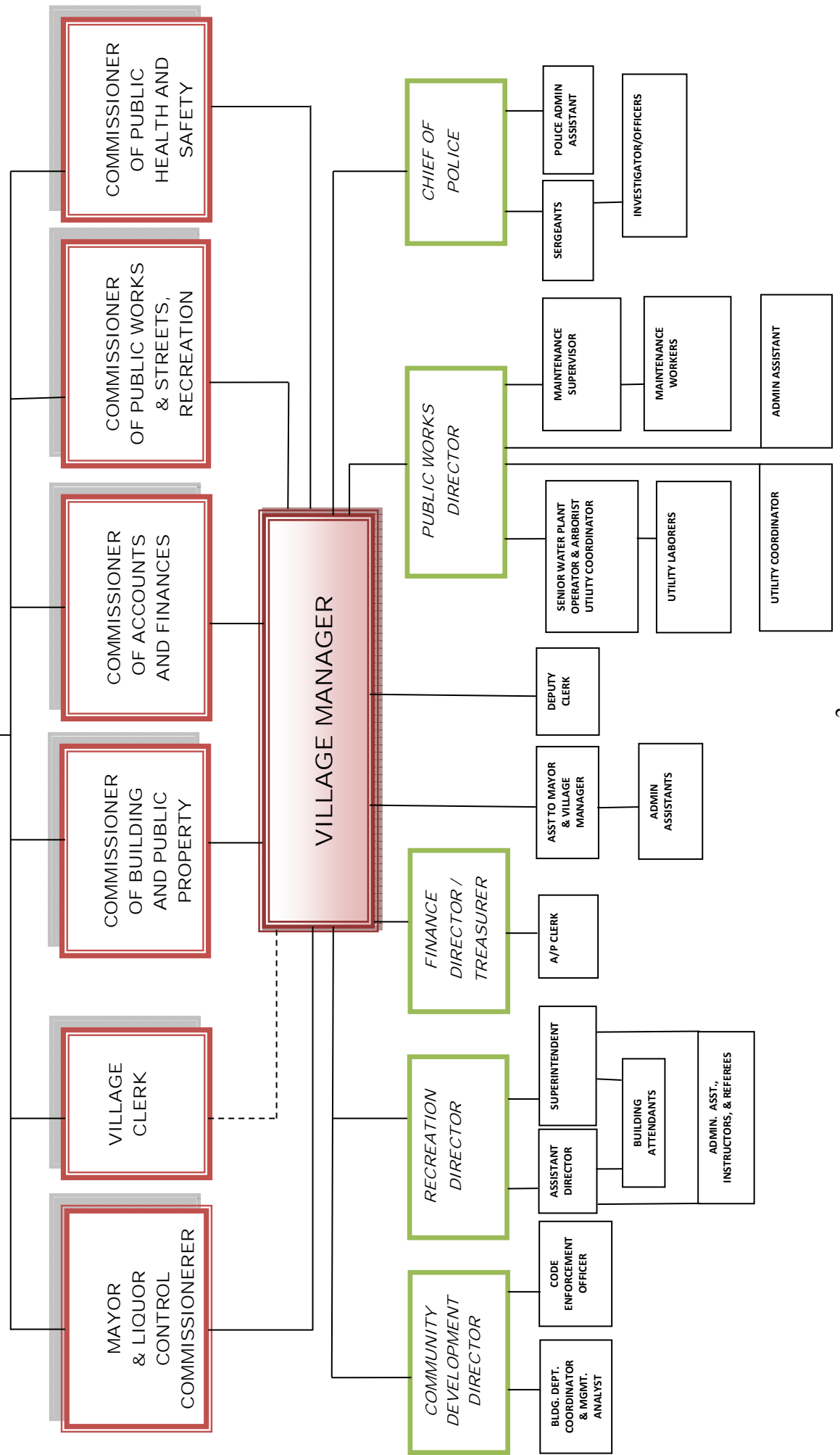
Joseph Miller - *Chief of Police*

Michael Sibrava - *Public Works Director*

Lauren Pruss - *Community Development Director**

*Resigned effective May 27, 2021. Replaced by Mark Herman.

VILLAGE RESIDENTS





VILLAGE OF
PALOS PARK

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

October 19, 2021

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

The Comprehensive Annual Financial Report of the Village of Palos Park, Illinois (the Village) for the year ended April 30, 2021 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 accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. This Comprehensive Annual Financial Report complies with these requirements. The accounting firm of Lauterbach & Amen, LLP, an independent firm of licensed Certified Public Accountants, was contracted as auditors. The objective of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended April 30, 2021, are free of material misstatement. They have concluded that these financial statements present fairly, in all material respects, the respective financial position of the Village as of April 30, 2021, in accordance with GAAP. Their Independent Auditor's Report is included in the financial section of this Comprehensive Annual Financial Report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village and its management. To the best of our knowledge and belief, the enclosed data is accurate, complete, and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

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 cost of internal controls should not outweigh their benefits. Consequently, internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

This Comprehensive Annual Financial Report presents a narrative introduction, management’s discussion and analysis (MD&A), basic financial statements, and required supplementary information. The MD&A provides an analytical overview and analysis of the Village’s financial activity and should be read in conjunction with this letter. The basic financial statement section includes government-wide financial statements, fund financial statements and notes to the financial statements. The required supplementary information presents budgetary comparison schedules as well as other financial information.

PROFILE OF THE VILLAGE OF PALOS PARK

The Village is located within the greater Chicago Metropolitan area, which represents a vast region of approximately 7,195 square miles and includes nearly 9.46 million people according to a 2019 Census Bureau estimate. The Village of Palos Park was incorporated on October 31, 1914 as a small town that mainly served as a summer home and getaway destination for artists, nature enthusiasts, hikers, university professors, and even sharpshooters. In other words, it was a destination for many seeking quietude from the hustle and bustle of life in Chicago. The Village of Palos Park is a small residential suburb less than 15 miles southwest of the city limits of the City of Chicago. It is nestled among Cook County’s largest single



Forest Preserve (the Palos section). The Village’s official population, according to the 2010 census, is 4,847. Unofficial 2020 census figures report the Village’s population to be 4,899. The Village 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 areas of concern for residents are the maintenance of property values, and quality of life issues.

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

Palos Park is a great place to work, live, and raise a family. The Village is dedicated to improving the delivery of its services; thereby, enhancing the quality of life for its residents and also the operating environment for its businesses. The Village is proud to offer a broad range of services including police protection, residential tree branch chipping, construction and maintenance of streets and infrastructure, planning and zoning, building permit and inspection services, code enforcement, recreational and social events, access to METRA rail service, storm water management, water and sewer services and other general government services.

Public education is provided through several local elementary and high school districts. Additionally, an abundance of community and four-year colleges and universities throughout the Chicago metropolitan area offer opportunities for higher learning. Library services are provided by the Palos Park Public Library. For fire protection services, residents are serviced by the Palos Park Fire Protection District or the Lemont Fire Protection District. Each of these districts are separate legal standing entities and not fiscally dependent on the Village; hence they are excluded from being reported in this Comprehensive Annual Financial Report.

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.

OVERVIEW OF THE LOCAL ECONOMY AND FINANCES

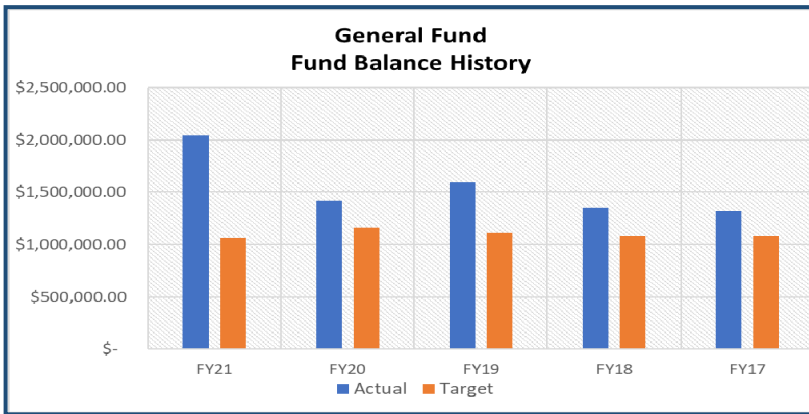
The Mayor, Commissioners, and the Village staff are intent on maintaining the Village's strong financial condition, while continuing to provide the highest level of public services to its residents, business owners and visitors. The Village's financial position, as reflected in the financial statements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

The Village benefits from being a part of the greater Chicago Metropolitan Area and its proximity to the City of Chicago. Significant vehicle traffic occurs daily throughout the Village on major networks of roads that connect to the City of Chicago or to other large suburban municipalities. Residents and visitors to Palos Park enjoy an abundance of recreational opportunities such as walking, hiking, and biking trails in addition to large greenspaces and fishing ponds.

The Village is primarily a residential community, but does offer an attractive mix of retail, restaurant and commercial space. The northeast corner of 131st Street and LaGrange Road supports many individual businesses, while the northwest corner is home to the Shoppes of Mill Creek, Mill Creek Center, and gas stations. Several retail stores and office buildings are located in the area around Southwest Highway and Route 83. Finally, establishments are located along 123rd Street, primarily between 80th Avenue and 86th Avenue.

Immediately adjacent to the Village, in neighboring communities, are two large employers. The Palos Community Hospital (in Palos Heights) sits at the corner of 123rd Street and 80th Avenue and the Carl Sandburg High School (in Orland Park) lies across from the Shoppes of Mill Creek at 131st Street and LaGrange Road. Each of these bordering employers helps to provide a positive economic impact on the economies of the Village.

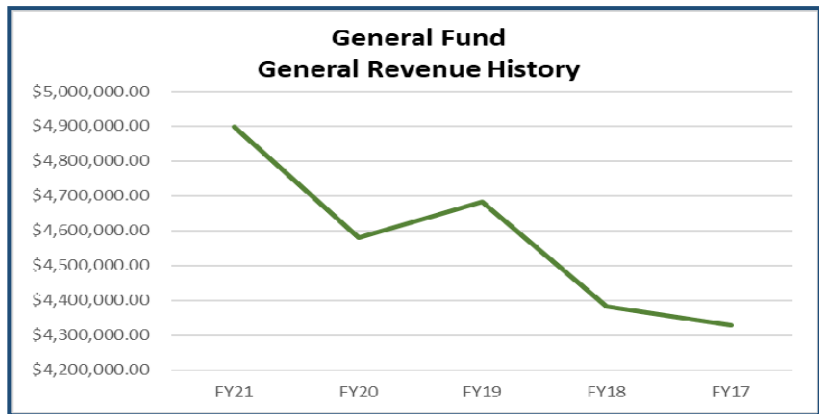
As we inch closer to the two-year anniversary of the global onset of the COVID-19 virus (the virus), the strength of our local economy and the spirit of our community has been on display. Residents of the Village of Palos Park, residents of the Chicago Metropolitan area, as well as visitors thereto have faced varying degrees of mandates and precautions since the onset of the virus. Palos Park business owners and residents have shown significant resolve over the last couple of years.



The strength that our community has displayed directly impacts the overall financial health of the Village. The chart to the left depicts the five-year historical fund balance of the General Fund. Temporary and permanent reductions to expenditures, coupled with deferring hiring of open positions

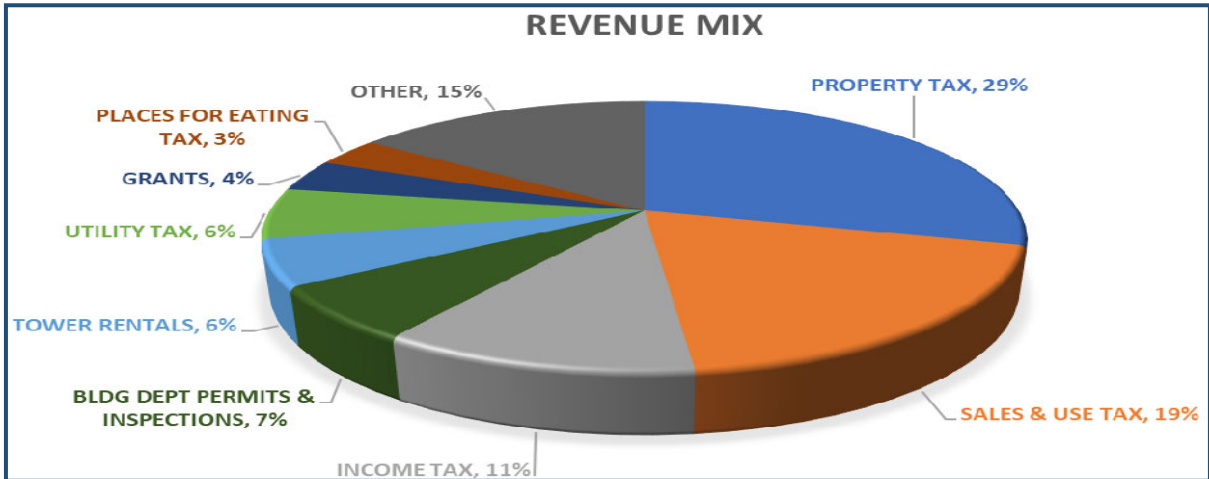
helped to reduce expenditures in Fiscal Year 2021. General revenues (excluding Other Financing Sources) in Fiscal Year 2021 continued to grow to a total of approximately \$4.90

million. This represents an increase of 7% from the prior year. General revenues were bolstered by the receipt of CARES Federal funding in the amount of \$180,866 during the current fiscal year. Excluding the impact of CARES funding, general revenues still grew by 3% over the prior year. The chart to the right represents the General Fund's general revenue history over the last five fiscal years.



the General Fund's general revenue history over the last five fiscal years.

The Village's strong and diverse revenue mix provides operating flexibility to whether outside influences. As depicted in the chart below, the Village is not significantly reliant on any one revenue source. The Village's largest revenue source, property tax receipts, represents approximately 29% of total revenues, and is generally considered to be the most stable revenue source for Illinois units of government.



LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCE POLICIES

The Village uses a number of processes and planning documents to accomplish its financial planning. 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.

Several tools are utilized for long-term financial planning, including five-year financial projections, and a five-year capital improvement plan for equipment and infrastructure. This information is critical to evaluating trends, assessing the benefits of certain services or initiatives, implementation of future capital improvements, developing new projects, and creating an overall financial plan for the Village. These tools have provided Village Council confidence in implementing a robust capital plan for the upcoming Fiscal Year 2022. The Village's approved budget anticipated spending nearly \$1.75 million on capital related projects. This is the largest capital plan the Village has passed in several years. Leading the way is the Village's investment in street resurfacing totaling \$935,000. This project recently kicked off at the end of September 2021 and is expected to be completed by mid-fall. The Village Council is currently contemplating a similarly strong investment in street resurfacing over each of the next several years.

The Village Council has in place several key written financial policies including a fund balance policy, capitalization policy, purchasing policy 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. The General Fund met (exceeded) this policy in Fiscal Year 2021 and is expected to meet this objective again in Fiscal Year 2022.

AWARDS AND ACKNOWLEDGEMENTS

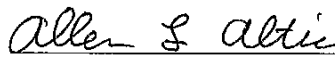
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palos Park for its comprehensive annual financial report for the fiscal year ended April 30, 2020. This was the 22nd consecutive year that the Village has received this prestigious award. In order to be awarded, the Village published an easily readable and efficiently organized Comprehensive Annual Financial Report, like the one you are currently reading.

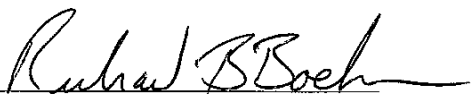
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire finance department and Village staff. Our sincere appreciation is extended to each one of them for their daily contributions made throughout the year and which culminate in this report. Their conscious efforts to comply with the control structure and environment, as well as responding to the needs and requests of the finance department are sincerely acknowledged and recognized. In closing, without the leadership and support of the Mayor and Commissioners, preparation of this report would not have been possible.

Respectfully Submitted,

VILLAGE OF PALOS PARK


Allen L. Altic, CPA
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, 2020

Christopher P. Morill

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 19, 2021

The Honorable Village Mayor
Members of the Board of Commissioners
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, 2021, 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, 2021, 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, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information 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 other supplementary information 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, 2021**

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 presents our discussion and analysis of the Village’s financial activities during the fiscal year ending April 30, 2021. 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, as well as 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 \$19,291,233 an increase of \$342,757 during the year. Total unrestricted net position increased \$788,049.
- **Governmental activity summary** – Net position for governmental activities increased by \$903,530 during the year to \$2,003,618. Unrestricted net position increased \$562,213.
- **Business-type activity summary** – Net position for business-type activities decreased by \$560,773 during the year to \$17,287,615. Unrestricted net position increased \$225,836.
- **General Fund summary** – The Village’s General Fund reported an increase of \$625,618 in fund balance for the year to \$2,042,334. Proactive budget cuts, deferrals in hiring open positions, receipt of Federal CARES funds, strong building permit activity coupled with steady tax receipts contributed to the increase despite the obstacles brought on by the onset of COVID-19. The Village’s fiscal year 2021 started only a few weeks after the President of the United States declared COVID-19 pandemic a national emergency.
- **Budget vs. Actual** – The Village’s actual revenues for the General Fund were more than budgeted revenues by \$317,982, while the actual expenditures were less than budgeted by \$389,770.
- **Overall Financial Position** – As a whole, the Village’s overall financial position improved during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Village’s financial statements present two kinds of statements, each with a different view or perspective. Both views (government-wide and major fund) allow users to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhances accountability.

This discussion and analysis is intended to serve as an introduction to the Village of Palos Park’s financial section of the Comprehensive Annual Financial Report. The financial section 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’s finances: 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 the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds, additional supplementary information, and 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 presents information showing how the government’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. – uncollected taxes and earned but unused vacation leave).

Both statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, building and public grounds, culture and recreation, and interest on long-term debt. The business-type activities include water, sewer maintenance, refuse and recycling and commuter parking lot.

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 used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources. Such information may be useful in evaluating a government’s near-term financing requirements.

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 (Police Pension and Custodial Funds). 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

Changes in, and total overall net position may serve as a useful indicator of a government's financial position and well-being. In the case of the Village, assets/deferred outflows exceeded liabilities/deferred inflows by \$19,291,233. The following table reflects the condensed Statement of Net Position as of April 30, 2021 with comparative data at April 30, 2020. For more detailed information see the Statement of Net Position.

**STATEMENT OF NET POSITION
FOR FISCAL YEARS 2021 AND 2020**

| | Governmental Activities 2021 | Governmental Activities 2020 | Business- Type Activities 2021 | Business- Type Activities 2020 | Total Primary Government 2021 | Total Primary Government 2020 |
|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Assets: | | | | | | |
| <i>Current and Other</i> | | | | | | |
| Assets | \$ 5,249,139 | \$ 4,157,043 | \$ 3,913,427 | \$ 3,642,507 | \$ 9,162,566 | \$ 7,799,550 |
| Capital Assets | 4,187,149 | 4,287,163 | 14,953,687 | 15,790,296 | 19,140,836 | 20,077,459 |
| Total Assets | \$ 9,436,288 | \$ 8,444,206 | \$ 18,867,114 | \$ 19,432,803 | \$ 28,303,402 | \$ 27,877,009 |
| <i>Deferred Outflows of Resources</i> | \$ 2,398,053 | \$ 1,651,572 | \$ 54,234 | \$ 83,706 | \$ 2,452,287 | \$ 1,735,278 |
| Liabilities: | | | | | | |
| <i>Current Liabilities</i> | \$ 738,515 | \$ 886,897 | \$ 382,950 | \$ 239,039 | \$ 1,121,465 | \$ 1,125,936 |
| <i>Noncurrent Liabilities</i> | 6,621,570 | 6,387,855 | 993,620 | 1,298,303 | 7,615,190 | 7,686,158 |
| Total Liabilities | \$ 7,360,085 | \$ 7,274,752 | \$ 1,376,570 | \$ 1,537,342 | \$ 8,736,655 | \$ 8,812,094 |
| <i>Deferred Inflows of Resources</i> | \$ 2,470,638 | \$ 1,720,938 | \$ 257,163 | \$ 130,779 | \$ 2,727,801 | \$ 1,851,717 |
| Net Position: | | | | | | |
| <i>Net Investment in Capital Assets</i> | \$ 3,982,149 | \$ 4,047,163 | \$ 13,953,687 | \$ 14,740,296 | \$ 17,935,836 | \$ 18,787,459 |
| <i>Restricted</i> | 806,475 | 400,144 | - | - | 806,475 | 400,144 |
| <i>Unrestricted</i> | (2,785,006) | (3,347,219) | 3,333,928 | 3,108,092 | 548,922 | (239,127) |
| TOTAL NET POSITION | <u>\$ 2,003,618</u> | <u>\$ 1,100,088</u> | <u>\$ 17,287,615</u> | <u>\$ 17,848,388</u> | <u>\$ 19,291,233</u> | <u>\$ 18,948,476</u> |

CURRENT YEAR IMPACT – NET POSITION

As previously stated, overall total net position was \$19,291,233 at April 30, 2021, an increase of \$342,757 or 2%. The largest line item change within net position occurred within Net Investment in Capital Assets (i.e. - land, equipment, vehicles, infrastructure, etc.). This line item totals \$17,935,836 at April 30, 2021, a decrease of \$851,263 or 5%. Systematic depreciation of existing assets simply outpaced new purchases and related debt service principal payments. The Village uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to pay off the debt.

Total unrestricted net position of \$548,922, or \$6,224,285 with the exclusion of \$5,673,363 for the impact of GASB 68 and 75, may be used to meet the Village's ongoing obligation to citizens and creditors. Total unrestricted net position excluding the effects of GASB 68 and 75 increased \$807,949 or 15% over the prior year. The remaining \$806,475, or 4%, of total net position, represents resources that are subject to restriction as to their use. Total restricted net position increased \$406,331 or 102% primarily related to increase in resources during the year restricted for Highways and Streets. The Village implemented a local 3¢ gas tax during this fiscal year and received state grant funds in the form of Rebuild Illinois Funds.

The net position of business type activities was \$17,287,615 at April 30, 2021, a decrease of \$560,773 or 3%. This decrease maybe misleading. Excluding the effects of depreciation expense, which is subject to numerous estimates, net position increased \$397,647. This fact plays out in the increase in unrestricted net position during the year of \$225,836 or 7% to \$3,333,928. Business-type activities include water, sewer, solid waste (refuse and recycling), and commuter parking lot services. The Village's two largest Business Type-Enterprise Funds are the Water and Sewer Maintenance funds. The unrestricted net position of the Water Fund was \$1,742,850 at April 30, 2021. The unrestricted net position of the Sewer Maintenance Fund was \$1,419,116 at April 30, 2021. Growth in residential water consumption because of COVID-19 contributed to increases in unrestricted net position in both funds during the fiscal year.

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.

CHANGES IN NET POSITION FOR FISCAL YEARS 2021 AND 2020

| | Governmental Activities 2021 | <i>Governmental Activities 2020</i> | Business- Type Activities 2021 | <i>Business- Type Activities 2020</i> | Total Primary Government 2021 | <i>Total Primary Government 2020</i> |
|----------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 717,690 | \$ 793,842 | \$ 2,946,342 | \$ 2,877,065 | \$ 3,664,032 | \$ 3,670,907 |
| Operating Grants | 517,594 | 191,362 | - | - | 517,594 | 191,362 |
| General Revenues: | | | | | | |
| Property Taxes | 1,422,163 | 1,450,299 | - | - | 1,422,163 | 1,450,299 |
| Sales Taxes | 1,137,014 | 1,064,384 | - | - | 1,137,014 | 1,064,384 |
| Utility Taxes | 391,033 | 393,704 | - | - | 391,033 | 393,704 |
| Income Taxes | 555,647 | 525,339 | - | - | 555,647 | 525,339 |
| Other | 322,855 | 180,041 | - | - | 322,855 | 180,041 |
| Investment Income | 12,385 | 34,575 | 2,248 | 1,961 | 14,633 | 36,536 |
| Gain on Sale of Capital Assets | | | - | - | - | - |
| Other | 520,554 | 476,728 | 38,217 | 72,716 | 558,771 | 549,444 |
| Total Revenues | 5,596,935 | 5,110,274 | 2,986,807 | 2,951,742 | 8,583,742 | 8,062,016 |
| EXPENSES | | | | | | |
| General Government | 534,585 | 713,486 | - | - | 534,585 | 713,486 |
| Public Safety | 2,770,316 | 2,976,891 | - | - | 2,770,316 | 2,976,891 |
| Public Works | 656,183 | 742,161 | - | - | 656,183 | 742,161 |
| Building and Public Grounds | 505,500 | 549,323 | - | - | 505,500 | 549,323 |
| Culture and Recreation | 204,633 | 474,916 | - | - | 204,633 | 474,916 |
| Water | - | - | 2,438,489 | 2,197,314 | 2,438,489 | 2,197,314 |
| Sewer | - | - | 746,324 | 831,967 | 746,324 | 831,967 |
| Solid Waste | - | - | 328,245 | 387,281 | 328,245 | 387,281 |
| Commuter Lot | - | - | 46,272 | 85,780 | 46,272 | 85,780 |
| Interest | 10,438 | 11,899 | - | - | 10,438 | 11,899 |
| Total Expenses | 4,681,655 | 5,468,676 | 3,559,330 | 3,502,342 | 8,240,985 | 8,971,018 |
| Change in Net Position Before Transfers | 915,280 | (358,402) | (572,523) | (550,600) | 342,757 | (909,002) |
| Transfers | (11,750) | (63,215) | 11,750 | 63,215 | - | - |
| Change in Net Position | 903,530 | (421,617) | (560,773) | (487,385) | 342,757 | (909,002) |
| Beginning Net Position | 1,100,088 | 1,521,705 | 17,848,388 | 18,335,773 | 18,948,476 | 19,857,478 |
| Ending Net Position | \$ 2,003,618 | \$ 1,100,088 | \$ 17,287,615 | \$ 17,848,388 | \$ 19,291,233 | \$ 18,948,476 |

CURRENT YEAR IMPACTS – CHANGES IN NET POSITION

Governmental Activities

Total revenues for governmental activities for Fiscal Year 2021 totaled \$5,596,935, an increase of \$486,661 or 9%. The largest increase comes in the form of operating grants, which increased \$326,232 or 170% from the prior year. Federal CARES funding in the amount of \$180,866, coupled with Rebuild Illinois distributions from the State of Illinois totaling \$159,718 contributed to this increase. Rebuild Illinois funds are to be used for future roadway resurfacing projects. The Village expects to receive a total of \$319,436 in Rebuild Illinois funds over the next few years. Other tax revenue totaled \$322,855 in Fiscal Year 2021, an increase of \$142,814 or 79%. As previously stated, the Village implemented a 3¢ local gas tax during the fiscal year in which actual collections from 3 gas retailers totaling \$152,616. Total sales tax receipts came in strong during the fiscal year and stem from changes in legislation as a result of the recent Wayfair legal decision. Online retailers are now required to assess state and local tax rates to goods sold based on shipping address zip code. Property tax receipts totaled \$1,422,163 during Fiscal Year 2021, which represents a decrease of \$28,136 or 2%. This reduction is directly related to delayed timing of property tax due dates implemented by Cook County during calendar year 2021 because of economic uncertainty caused by COVID-19. Cook County extended the due dates several months for both the first and second installment of property tax payments this calendar year.

Expenses for governmental activities (excluding transfers) totaled \$4,681,655 in Fiscal Year 2021, a decrease of \$787,021 or 17%. General Government expenses decreased \$178,901, primarily due to favorable results for the Village's IMRF Net Pension Liability actuarial valuation. Boosted by equity and other investment returns during the year, IMRF is reporting a percent funded over 100% as of its latest actuarial valuation as of December 31, 2020. Public Safety expenses fell \$206,575 or 7% from the prior year. Leading contributors consist of negotiating a new contract for 911 dispatch services that will save the Village over \$100,000 each year compared to the prior contract, favorable fuel pricing for most of the fiscal year and the delayed hiring of an open full-time police officer position for the majority of the fiscal year. Culture and Recreation expense decreased \$270,283 or 57% during Fiscal Year 2021, primarily due to significantly reduced staffing and programmatic expenses due to inability to hold most recreational activities due to health and safety concerns brought on by COVID-19.

Business-Type Activities

Revenue from business-type activities (excluding Transfers) totaled \$2,986,807 for Fiscal Year 2021, an increase of \$35,065 or 1% from the prior year. Charges for Services revenue increased \$76,152, or 11% from the prior year. Increase in water rates combined with increases in consumption contributed to the increase in revenue.

Expenses for business-type activities totaled \$3,559,330 for Fiscal Year 2021, an increase of \$56,988 or less than 1%. Water services operational expenses increased by \$241,175 or 1%, to \$2,438,489. Increases in pricing and volume of water purchased contributed to this increase. Additionally, more water main breaks during Fiscal Year 2021 compared to the previous fiscal year resulted in more water line maintenance costs. Sewer operational expenses decreased \$85,643, or 10%, to \$746,324. The Commuter Lot Fund operating expenses decreased \$39,508 or 46%, to \$46,272. Changes to commuter habits directly related to COVID-19 significant reduced METRA commuter rail demand. The Refuse and Recycling Fund ended Fiscal Year 2021 with total expenses of \$328,245, a decrease of \$59,036 or 15%. Favorable contract terms renegotiated with a waste-hauler during Fiscal Year 2021 contributed to the decrease.

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 (2.30% for the 2019 levy used to fund 2021) 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*** –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, 2021, the governmental funds reflect a combined fund balance of \$3,706,319, which is an increase of \$1,074,279 or 41% from the prior year. The General Fund ending fund balance at April 30, 2021 was \$2,042,334, which is an increase of \$625,618 or 44%.

A healthy fund balance is sufficient to allow for short-term cash flow fluctuations as well as to meet future planned and unplanned projects or requirements. The Village's fund balance, previously stated of \$2,042,334, represents 48% of the Village's General Fund expenditures for FY21. This percentage is over the Village's policy of three months or a 25% reserve of the General Fund expenditure budget in fund balance. At the end of Fiscal Year 2020, the General Fund held fund balance reserves equaling 30% of expenditures.

Total revenues for the General Fund for Fiscal Year 2021 totaled \$4,897,464, which is an increase of \$316,457, or 7% from prior year. Building permit (Licenses and Permits) revenue increased \$81,736 or 83% in Fiscal Year 2021. The estimated construction value of permits issued in Fiscal Year 2021 increased to \$13,172,502 compared to \$8,324,322 in the previous fiscal year. Like many communities, the Village received Federal CARES funding in the amount of \$180,866. The Village's overall taxes revenue remained relatively steady, despite uncertainty brought on by COVID-19.

Operating expenditures decreased significantly in Fiscal Year 2021 to \$4,261,712. This represents a change in the amount of \$385,566 compared to the previous year total of \$4,647,278. At the onset of the COVID-19 pandemic and during Fiscal Year 2021, the Village delayed hiring new employees, reduced wage increases, deferred capital or other large purchases, and concentrated on finding savings on operational purchases. Expenditures associated with recreation and events (Cultural and Recreation) decreased \$256,082 or 58% in Fiscal Year 2021. The Village's Recreation Director resigned in March 2020 and has not yet been replaced. State and local health and safety restrictions put in place as a result of COVID-19 made it difficult and even impossible to hold most community events as well as recreational programs for children, adults and seniors. As a result, the Village did not incur the related expenditures for such events and programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

| <i>General Fund</i> | <i>FY21 Budget</i> | <i>FY21 Actual</i> | <i>FY20 Actual</i> | <i>FY19 Actual</i> | <i>FY18 Actual</i> | <i>FY17 Actual</i> |
|------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <i>Revenues:</i> | | | | | | |
| <i>Taxes</i> | \$ 2,087,609 | \$ 1,983,135 | \$ 2,011,050 | \$ 2,078,770 | \$ 1,969,093 | \$ 1,916,050 |
| <i>Licenses & Permits</i> | 410,665 | 467,987 | 407,059 | 411,870 | 409,710 | 426,234 |
| <i>Intergovernmental</i> | 1,400,900 | 1,688,939 | 1,417,227 | 1,316,883 | 1,245,093 | 1,240,777 |
| <i>Other</i> | 680,308 | 757,403 | 745,671 | 875,152 | 759,385 | 746,062 |
| <i>Total</i> | 4,579,482 | 4,897,464 | 4,581,007 | 4,682,675 | 4,383,281 | 4,329,123 |
| <i>Expenditures:</i> | | | | | | |
| <i>Current</i> | (4,549,482) | (4,239,719) | (4,639,178) | (4,435,014) | (4,286,513) | (4,263,072) |
| <i>Capital Outlay</i> | (102,000) | (21,993) | (8,100) | (4,906) | (37,535) | (46,909) |
| <i>Debt Service</i> | - | - | - | - | - | - |
| <i>Total</i> | (4,651,482) | (4,261,712) | (4,647,278) | (4,439,920) | (4,324,048) | (4,309,981) |
| <i>Other Financing Sources (Uses)</i> | | | | | | |
| <i>Transfers In</i> | - | 5,260 | - | - | - | - |
| <i>Transfers Out</i> | (30,000) | (15,394) | (110,721) | - | (26,657) | (46,737) |
| <i>Proceeds from Sale of Assets</i> | - | - | - | - | - | - |
| <i>Total</i> | (30,000) | (10,134) | (110,721) | - | (26,657) | (46,737) |
| <i>Net Change in Fund Balance</i> | \$ (102,000) | \$ 625,618 | \$ (176,992) | \$ 242,755 | \$ 32,576 | \$ (27,595) |

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2021, the Village had total of capital assets in the amount of \$19,140,836. These assets are invested in a broad range of items including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, water mains, storm sewers, and sanitary sewer lines.

Major Governmental Activities capital activity during the year included the purchase of a police squad vehicle by the General Fund in the amount of \$21,993 as well as a new F250 pickup purchased by the ½ Sales Tax Fund in the amount of \$53,013. Major Business-type activities capital activity during the year includes the rebuilding of the 93rd avenue lift station purchased by the Sewer Fund in the amount of \$61,059 and Scada PLC upgrades in the amount of \$67,374 purchased by the Water Fund

For more detailed information on capital assets, refer to Notes to Financial Statements #3: *Capital Assets* in the basic financial statements.

CHANGES IN NET CAPITAL ASSETS

| | <i>Beginning Balance May 1, 2020</i> | <i>Additions/ Deletion</i> | <i>Ending Balance April 30, 2021</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 | 7,736 | 4,440,422 |
| <i>Equipment and Vehicles</i> | 1,420,955 | 75,005 | 1,495,960 |
| <i>Land Improvements</i> | 21,356 | | 21,356 |
| <i>Water Distribution System</i> | 18,614,071 | 74,726 | 18,688,797 |
| <i>Sewer Distribution System</i> | 17,300,725 | 23,796 | 17,324,521 |
| <i>Accumulated Depreciation on Capital Assets</i> | (23,442,322) | (1,117,886) | (24,560,208) |
| <i>TOTAL</i> | <u>\$ 20,077,459</u> | <u>\$ (936,623)</u> | <u>\$ 19,140,836</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 park. As of April 30, 2021, the principal balance remaining was \$205,000.
- 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. As of April 30, 2021, these bonds have been paid in full as a result of a current refunding through the issuance of Series 2021 General Obligation Alternative Revenue Bonds.
- In Fiscal Year 2021, the Village issued \$1,000,000 in General Obligation Refunding Alternate Revenue Bonds for the purpose of refunding Series 2010 General Obligation Alternative Revenue Bonds. The original Series 2010 General Obligation Alternative Revenue Bonds were used to finance the construction of an underground reservoir. As of April 30, 2021, the principal balance remaining was \$1,000,000.
- The Village maintains a high-quality credit rating of Aa3 by Moody's Investor Services.

The Village's total legal general obligation debt limit is \$22,567,163. The Village's total general obligation debt applicable to this limit of \$205,000 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 is primarily residential in nature with commercial enterprises sprinkled in the community. The Village's personal income, per capita personal income as well as unemployment rate rank favorably compared to Cook County and State of Illinois averages. The economic strength of the community allows the Village to be less susceptible to economic fluctuations.

The Village benefits from a strong and diversified revenue base. In Fiscal Year 2021 the Village's largest single source of revenue, property taxes, represents only 29% of total revenues. A similar breakdown has been achieved in prior years. The Village's 2020 tax year equalized assessed value (EAV) for property taxes payable in calendar year 2021 was \$264,025,078 as compared to the 2019 EAV of \$240,847,217. The overall increase in EAV is 10% compared to 2019 and reflects positively on the Village.

The Village's elected officials and department directors consider many factors when preparing the annual 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, or considered include but are not limited to interest rates, inflation, credit rates, and overall strength of the regional economy and financial stability of the State of Illinois. The Village's Fiscal Year 2022 budget anticipates very strong fund balance reserves throughout the year in key funds such as the General Fund, Sewer Fund, and Water Fund. The Village's Fiscal Year 2022 budget also considers one of the largest capital plans undertaken in many years with total capital costs budgeted at \$1,747,500.

The impact of COVID-19 thus far on the Village's finances has been minimal. Certain revenues have been impacted negatively such as interest income, places for eating tax and police fines. Other revenues have improved such as income taxes, permits, sales taxes and charges for services. Village management continues to monitor the impacts of COVID-19 as well as other influences on Village finances. The Village is very fortunate to have healthy reserves that provide operational flexibility to ensure high quality services are provided to residents, visitors, and business owners in the Village.

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 at www.palospark.org. Questions concerning this report or requests for additional financial information should be directed to:

Allen Altic, CPA
Finance Director/Treasurer
Village of Palos Park
8999 W. 123rd Street
Palos Park, Illinois 60464

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, 2021

See Following Page

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position
April 30, 2021

| | Governmental Activities | Business-Type Activities | Totals |
|-------------------------------------------------|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 3,590,177 | 3,423,474 | 7,013,651 |
| Receivables - Net of Allowances | 1,209,282 | 463,794 | 1,673,076 |
| Due from Other Governments | 61,608 | - | 61,608 |
| Prepays | 308,957 | 9,686 | 318,643 |
| Total Current Assets | 5,170,024 | 3,896,954 | 9,066,978 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | 1,709,988 | 20,000 | 1,729,988 |
| Depreciable | 5,591,613 | 36,379,443 | 41,971,056 |
| Accumulated Depreciation | (3,114,452) | (21,445,756) | (24,560,208) |
| Total Capital Assets | 4,187,149 | 14,953,687 | 19,140,836 |
| Other Assets | | | |
| Net Pension Asset - IMRF | 33,049 | 16,473 | 49,522 |
| Net Pension Asset - SLEP | 46,066 | - | 46,066 |
| Total Other Assets | 79,115 | 16,473 | 95,588 |
| Total Noncurrent Assets | 4,266,264 | 14,970,160 | 19,236,424 |
| Total Assets | 9,436,288 | 18,867,114 | 28,303,402 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Items - IMRF | 108,804 | 54,234 | 163,038 |
| Deferred Items - SLEP | 30,157 | - | 30,157 |
| Deferred Items - Police Pension | 2,259,092 | - | 2,259,092 |
| Total Deferred Outflows of Resources | 2,398,053 | 54,234 | 2,452,287 |
| Total Assets and Deferred Outflows of Resources | 11,834,341 | 18,921,348 | 30,755,689 |

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

| | Governmental Activities | Business-Type Activities | Totals |
|--------------------------------------------------------|----------------------------|-----------------------------|------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 575,707 | 254,052 | 829,759 |
| Accrued Payroll | 64,810 | 9,724 | 74,534 |
| Accrued Interest | 3,668 | 3,363 | 7,031 |
| Other Payables | 9,799 | - | 9,799 |
| Current Portion of Long-Term Liabilities | 84,531 | 115,811 | 200,342 |
| Total Current Liabilities | 738,515 | 382,950 | 1,121,465 |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 198,123 | 43,241 | 241,364 |
| Net Pension Liability - Police Pension | 6,046,689 | - | 6,046,689 |
| Total OPEB Liability - RBP | 206,758 | 55,379 | 262,137 |
| General Obligation Bonds/Debt Certificates | 170,000 | 895,000 | 1,065,000 |
| Total Noncurrent Liabilities | 6,621,570 | 993,620 | 7,615,190 |
| Total Liabilities | 7,360,085 | 1,376,570 | 8,736,655 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 813,389 | - | 813,389 |
| Deferred Items - IMRF | 515,919 | 257,163 | 773,082 |
| Deferred Items - SLEP | 96,886 | - | 96,886 |
| Deferred Items - Police Pension | 1,044,444 | - | 1,044,444 |
| Total Deferred Inflows of Resources | 2,470,638 | 257,163 | 2,727,801 |
| Total Liabilities and Deferred Inflows of Resources | 9,830,723 | 1,633,733 | 11,464,456 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 3,982,149 | 13,953,687 | 17,935,836 |
| Restricted - IMRF | 44,888 | - | 44,888 |
| Restricted - Special Events | 2,085 | - | 2,085 |
| Restricted - Beautification | 3,293 | - | 3,293 |
| Restricted - Highways and Streets | 715,016 | - | 715,016 |
| Restricted - Police Forfeiture | 41,193 | - | 41,193 |
| Unrestricted (Deficit) | (2,785,006) | 3,333,928 | 548,922 |
| Total Net Position | 2,003,618 | 17,287,615 | 19,291,233 |

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, 2021

| | Expenses | Program Revenues | | |
|---------------------------------------|------------------|----------------------|--------------------------------|------------------------------|
| | | Charges for Services | Operating Grants/Contributions | Capital Grants/Contributions |
| Governmental Activities | | | | |
| General Government | \$ 534,585 | 467,987 | 184,334 | - |
| Public Safety | 2,770,316 | 63,530 | - | - |
| Public Works | 656,183 | - | 333,260 | - |
| Building and Public Grounds | 505,500 | - | - | - |
| Culture and Recreation | 204,633 | 186,173 | - | - |
| Interest on Long-Term Debt | 10,438 | - | - | - |
| Total Governmental Activities | 4,681,655 | 717,690 | 517,594 | - |
| Business-Type Activities | | | | |
| Water | 2,438,489 | 2,064,432 | - | - |
| Sewer Maintenance | 746,324 | 492,865 | - | - |
| Refuse and Recycling | 328,245 | 384,390 | - | - |
| Commuter Parking Lot | 46,272 | 4,655 | - | - |
| Total Business-Type Activities | 3,559,330 | 2,946,342 | - | - |
| Total Primary Government | 8,240,985 | 3,664,032 | 517,594 | - |

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

Change in Net Position
Net Position - Beginning
Net Position - Ending

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

| Primary Government | | |
|----------------------------|-----------------------------|--------------------|
| Net (Expense)/Revenue | | |
| Governmental Activities | Business-Type Activities | Totals |
| 117,736 | - | 117,736 |
| (2,706,786) | - | (2,706,786) |
| (322,923) | - | (322,923) |
| (505,500) | - | (505,500) |
| (18,460) | - | (18,460) |
| (10,438) | - | (10,438) |
| <u>(3,446,371)</u> | <u>-</u> | <u>(3,446,371)</u> |
| - | (374,057) | (374,057) |
| - | (253,459) | (253,459) |
| - | 56,145 | 56,145 |
| - | (41,617) | (41,617) |
| <u>-</u> | <u>(612,988)</u> | <u>(612,988)</u> |
| <u>(3,446,371)</u> | <u>(612,988)</u> | <u>(4,059,359)</u> |
| 1,422,163 | - | 1,422,163 |
| 200,308 | - | 200,308 |
| 391,033 | - | 391,033 |
| 322,855 | - | 322,855 |
| 936,706 | - | 936,706 |
| 555,647 | - | 555,647 |
| 12,252 | - | 12,252 |
| 12,385 | 2,248 | 14,633 |
| 508,302 | 38,217 | 546,519 |
| (11,750) | 11,750 | - |
| <u>4,349,901</u> | <u>52,215</u> | <u>4,402,116</u> |
| 903,530 | (560,773) | 342,757 |
| <u>1,100,088</u> | <u>17,848,388</u> | <u>18,948,476</u> |
| <u>2,003,618</u> | <u>17,287,615</u> | <u>19,291,233</u> |

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

VILLAGE OF PALOS PARK, ILLINOIS**Balance Sheet - Governmental Funds
April 30, 2021**

| | General | Nonmajor | Totals |
|-----------------------------------------------------------------------|------------------|------------------|------------------|
| ASSETS | | | |
| Cash and Investments | \$ 2,043,696 | 1,546,481 | 3,590,177 |
| Receivables - Net of Allowances | | | |
| Taxes | 1,104,480 | 59,786 | 1,164,266 |
| Accounts | 31,548 | - | 31,548 |
| Other | 13,468 | - | 13,468 |
| Due from Other Governments | - | 61,608 | 61,608 |
| Prepays | 308,957 | - | 308,957 |
| | | | |
| Total Assets | <u>3,502,149</u> | <u>1,667,875</u> | <u>5,170,024</u> |
| LIABILITIES | | | |
| Accounts Payable | 571,817 | 3,890 | 575,707 |
| Accrued Payroll | 64,810 | - | 64,810 |
| Other Payables | 9,799 | - | 9,799 |
| Total Liabilities | <u>646,426</u> | <u>3,890</u> | <u>650,316</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 813,389 | - | 813,389 |
| Total Liabilities and Deferred Inflows of Resources | <u>1,459,815</u> | <u>3,890</u> | <u>1,463,705</u> |
| FUND BALANCES | | | |
| Nonspendable | 308,957 | - | 308,957 |
| Restricted | 50,266 | 756,209 | 806,475 |
| Committed | - | 891,554 | 891,554 |
| Assigned | - | 16,222 | 16,222 |
| Unassigned | 1,683,111 | - | 1,683,111 |
| Total Fund Balances | <u>2,042,334</u> | <u>1,663,985</u> | <u>3,706,319</u> |
| | | | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>3,502,149</u> | <u>1,667,875</u> | <u>5,170,024</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, 2021**

| | |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Total Governmental Fund Balances | \$ 3,706,319 |
| 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. | 4,187,149 |
| A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. | |
| Net Pension Asset - IMRF | 33,049 |
| Net Pension Asset - SLEP | 46,066 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. | |
| Deferred Items - IMRF | (407,115) |
| Deferred Items - SLEP | (66,729) |
| Deferred Items - Police Pension | 1,214,648 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (247,654) |
| Net Pension Liability - Police Pension | (6,046,689) |
| Total OPEB Liability - RBP | (206,758) |
| Debt Certificates Payable | (205,000) |
| Accrued Interest Payable | (3,668) |
| Net Position of Governmental Activities | <u><u>2,003,618</u></u> |

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

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2021

| | General | Nonmajor | Totals |
|--------------------------------------------------------------|------------------|----------------|------------------|
| Revenues | | | |
| Taxes | \$ 1,983,135 | 353,224 | 2,336,359 |
| Intergovernmental | 1,688,939 | 333,260 | 2,022,199 |
| Licenses and Permits | 467,987 | - | 467,987 |
| Charges for Services | 186,173 | - | 186,173 |
| Fines and Forfeitures | 63,530 | - | 63,530 |
| Interest Income | 11,376 | 1,009 | 12,385 |
| Miscellaneous | 496,324 | 11,978 | 508,302 |
| Total Revenues | 4,897,464 | 699,471 | 5,596,935 |
| Expenditures | | | |
| Current | | | |
| General Government | 633,434 | - | 633,434 |
| Public Safety | 2,378,302 | - | 2,378,302 |
| Public Works | 534,016 | 88,107 | 622,123 |
| Building and Public Grounds | 505,500 | - | 505,500 |
| Culture and Recreation | 188,467 | 1,121 | 189,588 |
| Capital Outlay | 21,993 | 113,916 | 135,909 |
| Debt Service | | | |
| Principal Retirement | - | 35,000 | 35,000 |
| Interest and Fiscal Charges | - | 11,050 | 11,050 |
| Total Expenditures | 4,261,712 | 249,194 | 4,510,906 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 635,752 | 450,277 | 1,086,029 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 5,260 | 46,050 | 51,310 |
| Transfers Out | (15,394) | (47,666) | (63,060) |
| | (10,134) | (1,616) | (11,750) |
| Net Change in Fund Balances | 625,618 | 448,661 | 1,074,279 |
| Fund Balances - Beginning | 1,416,716 | 1,215,324 | 2,632,040 |
| Fund Balances - Ending | 2,042,334 | 1,663,985 | 3,706,319 |

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 1,074,279

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 | 82,741 |
| Depreciation Expense | (182,755) |

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

| | |
|-------------------------------------------|-----------|
| Change in Deferred Items - IMRF | (306,711) |
| Change in Deferred Items - SLEP | (43,091) |
| Change in Deferred Items - Police Pension | 429,661 |

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.

| | |
|---------------------------------------------------|-----------|
| Changes in Compensated Absences Payable | 16,969 |
| Changes in Net Pension Liability/(Asset) - IMRF | 542,224 |
| Changes in Net Pension Liability/(Asset) - SLEP | 74,339 |
| Changes in Net Pension Liability - Police Pension | (815,687) |
| Changes in Total OPEB Liability - RBP | (4,051) |
| Retirement of Debt | 35,000 |

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.

612

Changes in Net Position of Governmental Activities

903,530

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, 2021**

| | Business-Type Activities - Enterprise | | | | Totals |
|----------------------------------------------------|---------------------------------------|----------------------|-------------------------|-------------------------|--------------|
| | Water | Sewer Maintenance | Refuse and Recycling | Nonmajor | |
| | | | | Commuter Parking Lot | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments | \$ 1,826,273 | 1,489,530 | 24,088 | 83,583 | 3,423,474 |
| Receivables - Net of Allowances | | | | | |
| Accounts | 275,493 | 123,917 | 64,384 | - | 463,794 |
| Prepays | 4,696 | 4,109 | - | 881 | 9,686 |
| Total Current Assets | 2,106,462 | 1,617,556 | 88,472 | 84,464 | 3,896,954 |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Nondepreciable | 20,000 | - | - | - | 20,000 |
| Depreciable | 18,867,529 | 17,490,558 | - | 21,356 | 36,379,443 |
| Accumulated Depreciation | (10,681,527) | (10,758,891) | - | (5,338) | (21,445,756) |
| Total Capital Assets | 8,206,002 | 6,731,667 | - | 16,018 | 14,953,687 |
| Other Assets | | | | | |
| Net Pension Asset - IMRF | 11,957 | 4,516 | - | - | 16,473 |
| Total Noncurrent Assets | 8,217,959 | 6,736,183 | - | 16,018 | 14,970,160 |
| Total Assets | 10,324,421 | 8,353,739 | 88,472 | 100,482 | 18,867,114 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Items - IMRF | 39,367 | 14,867 | - | - | 54,234 |
| Total Assets and Deferred Outflows of Resources | 10,363,788 | 8,368,606 | 88,472 | 100,482 | 18,921,348 |

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 | \$ 136,044 | 117,034 | - | 974 | 254,052 |
| Accrued Payroll | 7,047 | 2,677 | - | - | 9,724 |
| Accrued Interest | 3,363 | - | - | - | 3,363 |
| Current Portion of | | | | | |
| Long-Term Debt | 112,909 | 2,902 | - | - | 115,811 |
| Total Current Liabilities | 259,363 | 122,613 | - | 974 | 382,950 |
| Noncurrent Liabilities | | | | | |
| Compensated Absences Payable | 31,634 | 11,607 | - | - | 43,241 |
| Total OPEB Liability - RBP | 42,272 | 13,107 | - | - | 55,379 |
| General Obligation Bonds | 895,000 | - | - | - | 895,000 |
| Total Noncurrent Liabilities | 968,906 | 24,714 | - | - | 993,620 |
| Total Liabilities | 1,228,269 | 147,327 | - | 974 | 1,376,570 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Items - IMRF | 186,667 | 70,496 | - | - | 257,163 |
| Total Liabilities and Deferred Inflows of Resources | | | | | |
| | 1,414,936 | 217,823 | - | 974 | 1,633,733 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 7,206,002 | 6,731,667 | - | 16,018 | 13,953,687 |
| Unrestricted | 1,742,850 | 1,419,116 | 88,472 | 83,490 | 3,333,928 |
| Total Net Position | 8,948,852 | 8,150,783 | 88,472 | 99,508 | 17,287,615 |

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, 2021

| | Business-Type Activities - Enterprise | | | | Totals |
|----------------------------------|---------------------------------------|-------------------|----------------------|-------------------------------|------------|
| | Water | Sewer Maintenance | Refuse and Recycling | Nonmajor Commuter Parking Lot | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 2,051,971 | 491,865 | 384,390 | 4,559 | 2,932,785 |
| Sale of Water Meters | 6,330 | - | - | - | 6,330 |
| Miscellaneous | 6,131 | 1,000 | - | 96 | 7,227 |
| Total Operating Revenues | 2,064,432 | 492,865 | 384,390 | 4,655 | 2,946,342 |
| Operating Expenses | | | | | |
| Personnel | 407,195 | 148,083 | - | - | 555,278 |
| Commodities | 98,580 | 34,518 | - | 15,534 | 148,632 |
| Water Purchases | 849,040 | - | - | - | 849,040 |
| Services | 521,688 | 152,271 | 328,245 | 29,671 | 1,031,875 |
| Capital Outlay | - | 11,647 | - | - | 11,647 |
| Depreciation | 499,112 | 458,241 | - | 1,067 | 958,420 |
| Total Operating Expenses | 2,375,615 | 804,760 | 328,245 | 46,272 | 3,554,892 |
| Operating Income (Loss) | (311,183) | (311,895) | 56,145 | (41,617) | (608,550) |
| Nonoperating Revenues (Expenses) | | | | | |
| Interest Income | 1,815 | 341 | - | 92 | 2,248 |
| Rental Income | 19,901 | - | - | - | 19,901 |
| Tap-On Fees | 18,316 | - | - | - | 18,316 |
| Disposal of Capital Assets | - | 58,436 | - | - | 58,436 |
| Interest Expense | (53,726) | - | - | - | (53,726) |
| Loss on Refunding | (9,148) | - | - | - | (9,148) |
| | (22,842) | 58,777 | - | 92 | 36,027 |
| Income (Loss) Before Transfers | (334,025) | (253,118) | 56,145 | (41,525) | (572,523) |
| Transfers In | - | 30,000 | - | 11,750 | 41,750 |
| Transfers Out | (30,000) | - | - | - | (30,000) |
| | (30,000) | 30,000 | - | 11,750 | 11,750 |
| Change in Net Position | (364,025) | (223,118) | 56,145 | (29,775) | (560,773) |
| Net Position - Beginning | 9,312,877 | 8,373,901 | 32,327 | 129,283 | 17,848,388 |
| Net Position - Ending | 8,948,852 | 8,150,783 | 88,472 | 99,508 | 17,287,615 |

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, 2021

| | 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 | \$ 2,100,831 | 423,494 | 383,648 | 4,596 | 2,912,569 |
| Payments to Suppliers | (1,550,208) | (128,163) | (360,478) | (44,831) | (2,083,680) |
| Payments to Employees | (359,688) | (133,410) | - | - | (493,098) |
| | <u>190,935</u> | <u>161,921</u> | <u>23,170</u> | <u>(40,235)</u> | <u>335,791</u> |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Transfers In | - | 30,000 | - | 11,750 | 41,750 |
| Transfers Out | (30,000) | - | - | - | (30,000) |
| | <u>(30,000)</u> | <u>30,000</u> | <u>-</u> | <u>11,750</u> | <u>11,750</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of Capital Assets | (74,726) | (61,059) | - | - | (135,785) |
| Disposal of Capital Assets | - | 72,411 | - | - | 72,411 |
| Debt Issuance | 1,000,000 | - | - | - | 1,000,000 |
| Principal Retirement | (1,050,000) | - | - | - | (1,050,000) |
| Interest Expense | (53,726) | - | - | - | (53,726) |
| | <u>(178,452)</u> | <u>11,352</u> | <u>-</u> | <u>-</u> | <u>(167,100)</u> |
| Cash Flows from Investing Activities | | | | | |
| Interest Income | 1,815 | 341 | - | 92 | 2,248 |
| Net Change in Cash and Cash Equivalents | (15,702) | 203,614 | 23,170 | (28,393) | 182,689 |
| Cash and Cash Equivalents - Beginning | 1,841,975 | 1,285,916 | 918 | 111,976 | 3,240,785 |
| Cash and Cash Equivalents - Ending | <u>1,826,273</u> | <u>1,489,530</u> | <u>24,088</u> | <u>83,583</u> | <u>3,423,474</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating Income (Loss) | (311,183) | (311,895) | 56,145 | (41,617) | (608,550) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Depreciation Expense | 499,112 | 458,241 | - | 1,067 | 958,420 |
| Other Income (Expense) | 25,730 | (743) | - | - | 24,987 |
| (Increase) Decrease in Current Assets | 10,669 | (68,628) | (742) | (59) | (58,760) |
| Increase (Decrease) in Current Liabilities | (33,393) | 84,946 | (32,233) | 374 | 19,694 |
| Net Cash Provided by Operating Activities | <u>190,935</u> | <u>161,921</u> | <u>23,170</u> | <u>(40,235)</u> | <u>335,791</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, 2021**

| | <u>Pension Trust Police Pension</u> | <u>Custodial Assessment Funds</u> |
|--------------------------------------|-------------------------------------------------|-------------------------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 128,391 | 1,091,486 |
| Investments | | |
| U.S. Treasury Obligations | 322,646 | - |
| U.S. Agency Obligations | 631,089 | - |
| Corporate Bonds | 1,302,030 | - |
| Mutual Funds | 1,928,535 | - |
| Receivables | | |
| Accrued Interest | 15,952 | - |
| Total Assets | 4,328,643 | 1,091,486 |
| LIABILITIES | | |
| Accounts Payable | - | 245 |
| NET POSITION | | |
| Net Position Restricted for Pensions | 4,328,643 | 1,091,241 |

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, 2021**

| | Pension Trust Police Pension | Custodial Assessment Funds |
|---------------------------------------------|---------------------------------------|----------------------------------|
| Additions | | |
| Contributions - Employer | \$ 335,000 | - |
| Contributions - Plan Members | 82,177 | - |
| Contributions - Other | - | 439 |
| Total Contributions | <u>417,177</u> | <u>439</u> |
| Investment Earnings | | |
| Interest Earned | 448,168 | 462 |
| Net Change in Fair Value | 262,733 | - |
| | <u>710,901</u> | <u>462</u> |
| Less Investment Expenses | (14,357) | - |
| Net Investment Income | <u>696,544</u> | <u>462</u> |
| Total Additions | <u>1,113,721</u> | <u>901</u> |
| Deductions | | |
| Administration | 5,785 | 515 |
| Benefits and Refunds | 372,797 | - |
| Total Deductions | <u>378,582</u> | <u>515</u> |
| Change in Fiduciary Net Position | 735,139 | 386 |
| Net Position Restricted for Pensions | | |
| Beginning as Restated | <u>3,593,504</u> | <u>1,090,855</u> |
| Ending | <u><u>4,328,643</u></u> | <u><u>1,091,241</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, 2021

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 Council is composed of the Mayor and four Commissioners which form the legislative branch of the Village. The Village provides a wide range of general municipal services including police protection, crime prevention, community planning and zoning, recreation, building inspection and safety, street building and maintenance, traffic control, water and sewer service, and commuter parking.

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government: Village of Palos Park

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

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, building and public grounds, culture and recreation, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, 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, 2021

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 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, 2021

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 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. The Village maintains one nonmajor enterprise fund, the Commuter Parking Lot Fund.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial 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, 2021

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.

Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Village's ten (10) 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 custodial). 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 fiduciary 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 fiduciary fund equity is classified as net position.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred 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 custodial 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, 2021

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, 2021**

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:

| | |
|---------------------------|----------|
| Land Improvements | 40 Years |
| Buildings Improvements | 40 Years |
| Vehicles and Equipment | 5 Years |
| Water Distribution System | 40 Years |
| 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, 2021

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, 2021**

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 budgets are adopted (at the fund level) for the general, special revenue (except for the Exaction Fee and Fine Arts Funds), 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 end-of-year projections 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 Budget Ordinance, based on the budget is published for public hearing to obtain taxpayer comment. The Budget Ordinance serves as a budget authorization.
- The Budget Ordinance is legally enacted through the passage of an ordinance. The fiscal year 2021 Budget was approved in April 2020. During the year, no budget amendments were necessary.
- The Village Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that alters the total expenditures of any fund must be approved by the Village Council.

EXCESS OF ACTUAL EXPENSES OVER BUDGET IN AN INDIVIDUAL FUND

The following fund had an excess of actual expenses over budget as of the date of this report:

| Fund | Excess |
|----------------|------------|
| Police Pension | \$ 184,289 |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021

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 \$4,582,122 and the bank balances totaled \$4,648,917. In addition, the Village had \$2,207,617 invested in Illinois Funds and \$223,912 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, 2021

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 \$128,391 and the bank balances totaled \$128,391.

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 | \$ 322,646 | - | 177,579 | 145,067 | - |
| U.S. Agency Obligations | 631,089 | 154,265 | 270,061 | 206,763 | - |
| Corporate Bonds | 1,302,030 | 227,911 | 693,485 | 380,634 | - |
| | 2,255,765 | 382,176 | 1,141,125 | 732,464 | - |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2021

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, 2021:

| | 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 | \$ 322,646 | 322,646 | - | - |
| U.S. Agency Obligations | 631,089 | - | 631,089 | - |
| Corporate Bonds | 1,302,030 | - | 1,302,030 | - |
| | 2,255,765 | 322,646 | 1,933,119 | - |
| Equity Securities | | | | |
| Mutual Funds | 1,928,535 | 1,928,535 | - | - |
| | 4,184,300 | 2,251,181 | 1,933,119 | - |

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 corporate bonds are rated Baa1 to A2 by Standard and Poor's.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

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 \$1,928,535 invested in mutual funds. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits.

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 | 52.33% | (2.40%) - (2.00%) |
| Equities | 44.74% | 3.50% - 6.60% |
| Cash and Cash Equivalents | 2.93% | (1.60%) |

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, 2021

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 2021 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, 2021 are listed in the table above.

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.89%. 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 2020 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience.

INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the appropriate fund as debt service payments become due, and (3) use unrestricted revenues collected in the Water Fund to finance various programs accounted for in the Sewer Maintenance Fund in accordance with budgetary authorizations.

| Transfer In | Transfer Out | Amount |
|------------------------|-----------------------|----------------------|
| General | Nonmajor Governmental | \$ 5,260 (1) |
| Nonmajor Governmental | General | 15,394 (2) |
| Nonmajor Governmental | Nonmajor Governmental | 30,656 (1) |
| Sewer Maintenance | Water | 30,000 (3) |
| Nonmajor Business-Type | Nonmajor Governmental | <u>11,750 (1)</u> |
| | | <u><u>93,060</u></u> |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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 | 7,736 | - | 4,440,422 |
| Vehicles and Equipment | 1,076,186 | 75,005 | - | 1,151,191 |
| | <u>5,508,872</u> | <u>82,741</u> | <u>-</u> | <u>5,591,613</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 2,010,487 | 112,322 | - | 2,122,809 |
| Vehicles and Equipment | 921,210 | 70,433 | - | 991,643 |
| | <u>2,931,697</u> | <u>182,755</u> | <u>-</u> | <u>3,114,452</u> |
| Total Net Depreciable Capital Assets | <u>2,577,175</u> | <u>(100,014)</u> | <u>-</u> | <u>2,477,161</u> |
| Total Net Capital Assets | <u>4,287,163</u> | <u>(100,014)</u> | <u>-</u> | <u>4,187,149</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------|----------------|
| General Government | \$ 96,414 |
| Public Safety | 37,236 |
| Public Works | 34,060 |
| Culture and Recreation | <u>15,045</u> |
| | <u>182,755</u> |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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 and Equipment | 344,769 | - | - | 344,769 |
| Water Distribution System | 18,614,071 | 74,726 | - | 18,688,797 |
| Sewer Distribution System | 17,300,725 | 61,059 | 37,263 | 17,324,521 |
| | <u>36,280,921</u> | <u>135,785</u> | <u>37,263</u> | <u>36,379,443</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 4,271 | 1,067 | - | 5,338 |
| Vehicles and Equipment | 309,385 | 13,276 | - | 322,661 |
| Water Distribution System | 10,024,329 | 489,521 | - | 10,513,850 |
| Sewer Distribution System | 10,172,640 | 454,556 | 23,289 | 10,603,907 |
| | <u>20,510,625</u> | <u>958,420</u> | <u>23,289</u> | <u>21,445,756</u> |
| Total Net Depreciable Capital Assets | <u>15,770,296</u> | <u>(822,635)</u> | <u>13,974</u> | <u>14,933,687</u> |
| Total Net Capital Assets | <u>15,790,296</u> | <u>(822,635)</u> | <u>13,974</u> | <u>14,953,687</u> |

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

| | |
|----------------------|----------------|
| Water | \$ 499,112 |
| Sewer Maintenance | 458,241 |
| Commuter Parking Lot | <u>1,067</u> |
| | <u>958,420</u> |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|---------------------|--------------------|
| \$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. | \$ 1,050,000 | - | 965,000 * 85,000 | - |
| \$1,000,000 General Obligation Refunding Alternate Revenue Bonds of 2021, due in annual installments of \$105,000 to \$115,000 plus interest at 0.95% to 1.75% through December 1, 2029. | - | 1,000,000 | - | 1,000,000 |
| | <u>1,050,000</u> | <u>1,000,000</u> | <u>1,050,000</u> | <u>1,000,000</u> |

* Refunded with the issuance of General Obligation Refunding Alternate Revenue Source Bonds of 2021.

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. | \$ 240,000 | - | 35,000 | 205,000 |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|----------------------------------------|--------------------|------------------|------------------|------------------|-----------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 264,623 | 16,969 | 33,938 | 247,654 | 49,531 |
| Net Pension Liability/(Asset) - IMRF | 509,175 | - | 542,224 | (33,049) | - |
| Net Pension Liability/(Asset) - SLEP | 28,273 | - | 74,339 | (46,066) | - |
| Net Pension Liability - Police Pension | 5,231,002 | 815,687 | - | 6,046,689 | - |
| Total OPEB Liability - RBP | 202,707 | 4,051 | - | 206,758 | - |
| Debt Certificates | 240,000 | - | 35,000 | 205,000 | 35,000 |
| | <u>6,475,780</u> | <u>836,707</u> | <u>685,501</u> | <u>6,626,986</u> | <u>84,531</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | 43,906 | 20,294 | 10,148 | 54,052 | 10,811 |
| Net Pension Liability/(Asset) - IMRF | 238,717 | - | 255,190 | (16,473) | - |
| Total OPEB Liability - RBP | 59,461 | - | 4,082 | 55,379 | - |
| General Obligation Bonds | 1,050,000 | 1,000,000 | 1,050,000 | 1,000,000 | 105,000 |
| | <u>1,392,084</u> | <u>1,020,294</u> | <u>1,319,420</u> | <u>1,092,958</u> | <u>115,811</u> |

For the governmental activities, payments on the compensated absences, the net pension liabilities/(assets), 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/(asset), and total OPEB liability are generally liquidated by the Water and Sewer Maintenance Funds. The general obligation bonds are being liquidated by the Water Fund.

Defeased Debt

On January 19, 2021, the Village issued \$1,000,000 par value General Obligation Refunding Alternative Revenue Bonds of 2021 to refund \$965,000 of the General Obligation Alternative Revenue Bonds of 2010. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Additionally, prior to year-end, all defeased bonds were called. Through this refunding, the Village reduced its total debt service by \$106,009 and obtained an economic gain of \$102,086.

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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 |
| 2022 | \$ 35,000 | 8,802 | 105,000 | 11,266 |
| 2023 | 40,000 | 7,323 | 110,000 | 12,567 |
| 2024 | 40,000 | 5,617 | 110,000 | 11,413 |
| 2025 | 45,000 | 3,901 | 110,000 | 10,148 |
| 2026 | 45,000 | 1,957 | 110,000 | 8,773 |
| 2027 | - | - | 110,000 | 7,287 |
| 2028 | - | - | 115,000 | 5,693 |
| 2029 | - | - | 115,000 | 3,910 |
| 2030 | - | - | 115,000 | 2,012 |
| Totals | <u>205,000</u> | <u>27,600</u> | <u>1,000,000</u> | <u>73,069</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 - 2020 | <u>\$ 264,025,078</u> |
| Legal Debt Limit - 8.625% of Assessed Value | 22,772,163 |
| Amount of Debt Applicable to Limit | <u>205,000</u> |
| Legal Debt Margin | <u>22,567,163</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION

Net Position Restatements

Beginning net position in two funds was restated to correct an error in recognition of receivables and payables. The following is a summary of the fund balances as originally reported and as restated.

| Net Position | As Reported | As Restated | (Decrease) |
|-------------------------------|-------------|-------------|------------|
| Special Assessment Fund #93-1 | \$ 561,666 | 561,421 | (245) |
| Special Assessment Fund #13B | 509,697 | 1,700 | (507,997) |

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

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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION - Continued

Fund Balance Classifications - Continued

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

| | General | Nonmajor | Totals |
|------------------------------------|------------------|------------------|------------------|
| Fund Balances | | | |
| Nonspendable | | | |
| Prepays | \$ 308,957 | - | 308,957 |
| Restricted | | | |
| IMRF | 44,888 | - | 44,888 |
| Special Events | 2,085 | - | 2,085 |
| Beautification | 3,293 | - | 3,293 |
| Highways and Streets | - | 715,016 | 715,016 |
| Police Forfeiture | - | 41,193 | 41,193 |
| | <u>50,266</u> | <u>756,209</u> | <u>806,475</u> |
| Committed | | | |
| Capital Projects | - | 133,061 | 133,061 |
| Public Infrastructure Improvements | - | 758,493 | 758,493 |
| | <u>-</u> | <u>891,554</u> | <u>891,554</u> |
| Assigned | | | |
| Fine Arts | - | 16,222 | 16,222 |
| | <u>-</u> | <u>16,222</u> | <u>16,222</u> |
| Unassigned | <u>1,683,111</u> | <u>-</u> | <u>1,683,111</u> |
| Total Fund Balances | <u>2,042,334</u> | <u>1,663,985</u> | <u>3,706,319</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021:

| | |
|--------------------------------------------------------------|--------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 4,187,149 |
| Less Capital Related Debt: | |
| Debt Certificates of 2006 | <u>(205,000)</u> |
| Net Investment in Capital Assets | <u>3,982,149</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 14,953,687 |
| Less Capital Related Debt: | |
| General Obligation Refunding Alternate Revenue Bonds of 2021 | <u>(1,000,000)</u> |
| Net Investment in Capital Assets | <u>13,953,687</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, 2021

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Financial Impact from COVID-19

In March 2020, the Centers for Disease Control and Prevention declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

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. The Village assumes the first \$25,000 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, water fund and sewer 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, 2021

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:

| | Net Pension Liability (Assets) | Deferred Outflows | Deferred Inflows | Pension Expenses (Revenues) |
|----------------|--------------------------------------|----------------------|---------------------|-----------------------------------|
| IMRF | \$ (49,522) | 163,038 | 773,082 | (159,889) |
| SLEP | (46,066) | 30,157 | 96,886 | (8,249) |
| Police Pension | 6,046,689 | 2,259,092 | 1,044,444 | 721,026 |
| | <u>5,951,101</u> | <u>2,452,287</u> | <u>1,914,412</u> | <u>552,888</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, 2021

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, 2021**

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, 2020, the measurement date, the following employees were covered by the benefit terms:

| | <u>Regular</u> | <u>SLEP</u> |
|------------------------------------------------------------------|-------------------|-----------------|
| Inactive Plan Members Currently Receiving Benefits | 36 | - |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 34 | - |
| Active Plan Members | <u>32</u> | <u>1</u> |
| Totals | <u><u>102</u></u> | <u><u>1</u></u> |

Contributions. As set by statute, the Village’s Regular Plan Members are required to contribute 4.50% of their annual covered salary and SLEP Plan Members are required to contribute 7.50% 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. At April 30, 2021, the Village’s contribution was 10.74% of covered payroll for the Regular Plan and 17.68% for the SLEP Plan.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2020. 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, 2020, using the following actuarial methods and assumptions:

| <u>IMRF</u> | | <u>SLEP</u> | |
|----------------------------|------------------|----------------------------|------------------|
| Actuarial Cost Method | Entry Age Normal | Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value | Asset Valuation Method | Fair Value |
| Actuarial Assumptions | | Actuarial Assumptions | |
| Interest Rate | 7.25% | Interest Rate | 7.25% |
| Salary Increases | 2.85% - 13.75% | Salary Increases | 2.85% - 13.75% |
| Cost of Living Adjustments | 2.25% | Cost of Living Adjustments | 2.25% |
| Inflation | 2.25% | Inflation | 2.25% |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

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 nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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% | 1.30% |
| Domestic Equities | 37.00% | 5.00% |
| International Equities | 18.00% | 6.00% |
| Real Estate | 9.00% | 6.20% |
| Blended | 7.00% | 2.85% - 6.95% |
| Cash and Cash Equivalents | 1.00% | 0.70% |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2021

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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/(Asset) | \$ 966,878 | (49,522) | (873,210) |

| | SLEP | | |
|-------------------------------|------------------------|--------------------------|------------------------|
| | Current | | |
| | 1% Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
| Net Pension Liability/(Asset) | \$ 54,887 | (46,066) | (131,948) |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|-------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2019 | \$ 8,689,469 | 7,941,577 | 747,892 |
| Changes for the Year: | | | |
| Service Cost | 163,686 | - | 163,686 |
| Interest on the Total Pension Liability | 618,326 | - | 618,326 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 34,733 | - | 34,733 |
| Changes of Assumptions | (99,360) | - | (99,360) |
| Contributions - Employer | - | 176,935 | (176,935) |
| Contributions - Employees | - | 64,366 | (64,366) |
| Net Investment Income | - | 1,143,247 | (1,143,247) |
| Benefit Payments, including Refunds of Employee Contributions | (471,455) | (471,455) | - |
| Other (Net Transfer) | - | 130,251 | (130,251) |
| Net Changes | 245,930 | 1,043,344 | (797,414) |
| Balances at December 31, 2020 | 8,935,399 | 8,984,921 | (49,522) |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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, 2019 | \$ 790,205 | 761,932 | 28,273 |
| Changes for the Year: | | | |
| Service Cost | 23,721 | - | 23,721 |
| Interest on the Total Pension Liability | 58,150 | - | 58,150 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (43,898) | - | (43,898) |
| Changes of Assumptions | 15,078 | - | 15,078 |
| Contributions - Employer | - | 23,190 | (23,190) |
| Contributions - Employees | - | 9,711 | (9,711) |
| Net Investment Income | - | 93,398 | (93,398) |
| Benefit Payments, including Refunds of Employee Contributions | - | - | - |
| Other (Net Transfer) | - | 1,091 | (1,091) |
| Net Changes | 53,051 | 127,390 | (74,339) |
| Balances at December 31, 2020 | 843,256 | 889,322 | (46,066) |

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

For the year ended April 30, 2021, the Village recognized pension revenue of \$159,889 for the regular plan and a pension revenue of \$8,249 for the SLEP Plan. At April 30, 2021, 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, 2021**

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|-------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 68,497 | - | 68,497 |
| Change in Assumptions | 33,839 | (65,715) | (31,876) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (707,367) | (707,367) |
| Total Pension Expense to be Recognized in Future Periods | 102,336 | (773,082) | (670,746) |
| Pension Contributions Made Subsequent to the Measurement Date | 60,702 | - | 60,702 |
| Total Deferred Amounts Related to IMRF | <u>163,038</u> | <u>(773,082)</u> | <u>(610,044)</u> |

\$60,702 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, 2022. 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 |
|----------------|-------------------------------------------|
| 2022 | \$ (173,384) |
| 2023 | (103,650) |
| 2024 | (279,532) |
| 2025 | (114,180) |
| 2026 | - |
| Thereafter | - |
| Totals | <u>(670,746)</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2021

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 | \$ - | (53,607) | (53,607) |
| Change in Assumptions | 22,322 | - | 22,322 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (43,279) | (43,279) |
| Total Pension Expense to be Recognized in Future Periods | 22,322 | (96,886) | (74,564) |
| Pension Contributions Made Subsequent to the Measurement Date | 7,835 | - | 7,835 |
| Total Deferred Amounts Related to SLEP | <u>30,157</u> | <u>(96,886)</u> | <u>(66,729)</u> |

\$7,835 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, 2022. 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 (Inflows) of Resources | |
| 2022 | \$ | (26,417) |
| 2023 | | (18,485) |
| 2024 | | (22,276) |
| 2025 | | (7,386) |
| 2026 | | - |
| Thereafter | | - |
| Total | | <u>(74,564)</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2021

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, 2021, the measurement date, membership consisted of the following:

| | |
|------------------------------------------------------------------|------------------|
| Inactive Plan Members Currently Receiving Benefits | 4 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 4 |
| Active Plan Members | <u>9</u> |
| Total | <u><u>17</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, 2021

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 48 consecutive months of service within the last 60 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 of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 40.40% 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, 2021

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, 2021, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions | |
| Interest Rate | 6.00% |
| Salary Increases | 2.25% - 20.50% |
| Cost of Living Adjustments | 3.25% |
| Inflation | 2.25% |

Mortality rates were based on the PubS-2010(A) adjusted for plan status, demographics, and Illinois Public Pension data, as described, with improvement using MP-2019 improvement rates applied on a fully generational basis.

Discount Rate

A Single Discount Rate of 4.18% was used to measure the total pension liability and the prior year the discount rate of 5.09% 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 2.27%, and the resulting single discount rate is 4.18%.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

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 (3.18%) | Current Discount Rate (4.18%) | 1% Increase (5.18%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 8,055,305 | 6,046,689 | 4,466,412 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|-------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at April 30, 2020 | \$ 8,824,506 | 3,593,504 | 5,231,002 |
| Changes for the Year: | | | |
| Service Cost | 341,269 | - | 341,269 |
| Interest on the Total Pension Liability | 420,852 | - | 420,852 |
| Changes of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (291,127) | - | (291,127) |
| Changes of Assumptions | 1,452,629 | - | 1,452,629 |
| Contributions - Employer | - | 335,000 | (335,000) |
| Contributions - Employees | - | 82,177 | (82,177) |
| Net Investment Income | - | 696,544 | (696,544) |
| Benefit Payments, including Refunds of Employee Contributions | (372,797) | (372,797) | - |
| Other (Net Transfer) | - | (5,785) | 5,785 |
| Net Changes | 1,550,826 | 735,139 | 815,687 |
| Balances at April 30, 2021 | 10,375,332 | 4,328,643 | 6,046,689 |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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, 2021, the Village recognized pension expense of \$721,026. At April 30, 2021, 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 | \$ 7,262 | (605,074) | (597,812) |
| Change in Assumptions | 2,251,830 | (171,080) | 2,080,750 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (268,290) | (268,290) |
| Total Deferred Amounts Related to Police Pension | <u>2,259,092</u> | <u>(1,044,444)</u> | <u>1,214,648</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 of Resources |
|----------------|------------------------------------------|
| 2022 | \$ 164,467 |
| 2023 | 154,916 |
| 2024 | 178,208 |
| 2025 | 138,430 |
| 2026 | 223,212 |
| Thereafter | <u>355,415</u> |
| Total | <u>1,214,648</u> |

VILLAGE OF PALOS PARK, ILLINOIS

**Notes to the Financial Statements
April 30, 2021**

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 Council. 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, 2021, 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>32</u> |
| Total | <u><u>32</u></u> |

Total OPEB Liability

The Village’s total OPEB liability was measured as of April 30, 2021 and was determined by an actuarial valuation as of that date.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.25% |
| Salary Increases | 2.75% |
| Discount Rate | 2.27% |
| Healthcare Cost Trend Rates | 7.70% for PPO plans for 2021, decreasing to an ultimate rate of 5.0% for 2031 and later years. 6.60% for HMO plans for 2021, decreasing to an ultimate rate of 5.0% for 2031 and later years. 7.20% for PPO plans for 2021, decreasing to an ultimate rate of 5.0% for 2031 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.

Change in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---------------------------------------------------|-------------------------------------|
| Balance at April 30, 2020 | \$ 262,168 |
| Changes for the Year: | |
| Service Cost | 11,760 |
| Interest on the Total OPEB Liability | 6,478 |
| Changes of Benefit Terms | - |
| Difference Between Expected and Actual Experience | (19,567) |
| Changes of Assumptions or Other Inputs | 19,506 |
| Benefit Payments | (18,208) |
| Net Changes | <u>(31)</u> |
| Balance at April 30, 2021 | <u>262,137</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

The discount rate used to measure the total pension liability was 2.27%, while the prior valuation used 2.56%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (1.27%) | Current Discount Rate (2.27%) | 1% Increase (3.27%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 295,363 | 262,137 | 234,532 |

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 | \$ 231,926 | 262,137 | 598,330 |

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

For the year ended April 30, 2021, the Village recognized OPEB expense of \$18,177. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB.

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$643,832 to be received in two installments. On September 2, 2021, the Village received their first installment of \$321,916.

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/(Asset)
 - 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, 2021**

| 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 | 188,769 | 187,792 | (977) | 1,450,955 | 12.94% |
| 2018 | 177,511 | 177,511 | - | 1,465,900 | 12.11% |
| 2019 | 174,429 | 174,429 | - | 1,481,166 | 11.78% |
| 2020 | 172,645 | 172,645 | - | 1,557,213 | 11.09% |
| 2021 | 174,958 | 174,958 | - | 1,629,021 | 10.74% |

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 | 5-Year Smoothed Fair Value |
| Inflation | 2.50% |
| Salary Increases | 3.35% to 14.25% |
| Investment Rate of Return | 7.25% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | MP-2017 (base year 2015) |

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, 2021**

| 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% |
| 2020 | 22,959 | 22,959 | - | 134,335 | 17.09% |
| 2021 | 22,999 | 22,999 | - | 130,076 | 17.68% |

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 | 5-Year Smoothed Fair Value |
| Inflation | 2.50% |
| Salary Increases | 3.35% to 14.25% |
| Investment Rate of Return | 7.25% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | MP-2017 (base year 2015) |

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, 2021**

| 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% |
| 2020 | 372,057 | 325,000 | (47,057) | 850,714 | 38.20% |
| 2021 | 403,962 | 335,000 | (68,962) | 829,232 | 40.40% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|----------------------------------------------------------------------------------|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 19 Years |
| Asset Valuation Method | 5- Year Smoothed Fair Value |
| Inflation | 2.50% |
| Salary Increases | 3.25% |
| 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 contributions have exceeded the Statutory minimum contribution requirements.

VILLAGE OF PALOS PARK, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2021

| | <u>2016</u> |
|-----------------------------------------------------------------------------|----------------------------|
| Total Pension Liability | |
| Service Cost | \$ 157,935 |
| Interest | 513,332 |
| Differences Between Expected and Actual Experience | (31,948) |
| Change of Assumptions | 8,402 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(401,684)</u> |
| Net Change in Total Pension Liability | 246,037 |
| Total Pension Liability - Beginning | <u>6,984,598</u> |
| Total Pension Liability - Ending | <u><u>7,230,635</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 183,004 |
| Contributions - Members | 72,845 |
| Net Investment Income | 30,009 |
| Benefit Payments, Including Refunds of Member Contributions | (401,684) |
| Administrative Expense | <u>68,641</u> |
| Net Change in Plan Fiduciary Net Position | (47,185) |
| Plan Net Position - Beginning | <u>6,079,999</u> |
| Plan Net Position - Ending | <u><u>6,032,814</u></u> |
| Employer's Net Pension Liability/(Asset) | <u><u>\$ 1,197,821</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/(Asset) as a Percentage of Covered Payroll | 84.37% |

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 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|
| 166,212 | 163,102 | 153,547 | 160,736 | 163,686 |
| 536,775 | 571,830 | 564,053 | 596,796 | 618,326 |
| 390,587 | (45,873) | 113,272 | 74,115 | 34,733 |
| (26,814) | (263,489) | 222,637 | - | (99,360) |
| (398,967) | (406,483) | (425,046) | (442,119) | (471,455) |
| 667,793 | 19,087 | 628,463 | 389,528 | 245,930 |
| 6,984,598 | 7,652,391 | 7,671,478 | 8,299,941 | 8,689,469 |
| 7,652,391 | 7,671,478 | 8,299,941 | 8,689,469 | 8,935,399 |
| 187,792 | 171,645 | 182,908 | 158,540 | 176,935 |
| 65,716 | 64,475 | 66,432 | 68,141 | 64,366 |
| 416,086 | 1,181,987 | (420,518) | 1,314,892 | 1,143,247 |
| (398,967) | (406,483) | (425,046) | (442,119) | (471,455) |
| 125,998 | (216,430) | 169,978 | 43,736 | 130,251 |
| 396,625 | 795,194 | (426,246) | 1,143,190 | 1,043,344 |
| 6,032,814 | 6,429,439 | 7,224,633 | 6,798,387 | 7,941,577 |
| 6,429,439 | 7,224,633 | 6,798,387 | 7,941,577 | 8,984,921 |
| 1,222,952 | 446,845 | 1,501,554 | 747,892 | (49,522) |
| 84.02% | 94.18% | 81.91% | 91.39% | 100.55% |
| 1,450,955 | 1,432,772 | 1,476,259 | 1,514,235 | 1,430,351 |
| 84.29% | 31.19% | 101.71% | 49.39% | (3.46%) |

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/(Asset)

April 30, 2021

| | <u>2016</u> |
|-----------------------------------------------------------------------------|-------------------------|
| Total Pension Liability | |
| Service Cost | \$ 22,925 |
| Interest | 38,090 |
| Differences Between Expected and Actual Experience | 82,166 |
| Change of Assumptions | <u>2,613</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 |
| 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/(Asset) | <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/(Asset) 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 | 2020 | 2021 |
|-----------|---------|---------|----------|----------|
| 22,956 | 23,049 | 23,205 | 22,735 | 23,721 |
| 48,785 | 45,070 | 50,209 | 54,957 | 58,150 |
| (121,692) | (8,779) | (6,097) | (34,144) | (43,898) |
| (4,883) | 9,106 | 21,491 | - | 15,078 |
| (54,834) | 68,446 | 88,808 | 43,548 | 53,051 |
| 644,237 | 589,403 | 657,849 | 746,657 | 790,205 |
| 589,403 | 657,849 | 746,657 | 790,205 | 843,256 |
| 20,362 | 20,175 | 20,442 | 21,415 | 23,190 |
| 8,941 | 9,165 | 9,394 | 9,629 | 9,711 |
| 40,231 | 74,211 | (9,368) | 96,370 | 93,398 |
| (112,148) | (2,317) | 670 | (2,392) | 1,091 |
| (42,614) | 101,234 | 21,138 | 125,022 | 127,390 |
| 557,152 | 514,538 | 615,772 | 636,910 | 761,932 |
| 514,538 | 615,772 | 636,910 | 761,932 | 889,322 |
| 74,865 | 42,077 | 109,747 | 28,273 | (46,066) |
| 87.30% | 93.60% | 85.30% | 96.42% | 105.46% |
| 119,217 | 122,198 | 125,252 | 128,383 | 129,476 |
| 62.80% | 34.43% | 87.62% | 22.02% | (35.58%) |

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2021**

| | <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 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|------------|
| 208,166 | 251,198 | 266,270 | 237,104 | 264,252 | 341,269 |
| 312,935 | 374,757 | 391,218 | 397,276 | 414,920 | 420,852 |
| - | - | - | - | 116,245 | - |
| 139,203 | 26,392 | (454,778) | (148,438) | (50,678) | (291,127) |
| 500,727 | (218,530) | 590,072 | (163,568) | 908,814 | 1,452,629 |
| (118,504) | (142,868) | (176,031) | (185,283) | (191,203) | (372,797) |
| 1,042,527 | 290,949 | 616,751 | 137,091 | 1,462,350 | 1,550,826 |
| 5,274,838 | 6,317,365 | 6,608,314 | 7,225,065 | 7,362,156 | 8,824,506 |
| 6,317,365 | 6,608,314 | 7,225,065 | 7,362,156 | 8,824,506 | 10,375,332 |
| 200,000 | 200,000 | 250,000 | 250,000 | 325,000 | 335,000 |
| 74,670 | 75,391 | 65,873 | 77,130 | 84,306 | 82,177 |
| 49,037 | 110,855 | 108,930 | 176,722 | 40,642 | 696,544 |
| (118,504) | (142,868) | (176,031) | (185,283) | (191,203) | (372,797) |
| (1,642) | (1,380) | (1,856) | (1,455) | (4,319) | (5,785) |
| 203,561 | 241,998 | 246,916 | 317,114 | 254,426 | 735,139 |
| 2,329,489 | 2,533,050 | 2,775,048 | 3,021,964 | 3,339,078 | 3,593,504 |
| 2,533,050 | 2,775,048 | 3,021,964 | 3,339,078 | 3,593,504 | 4,328,643 |
| 3,784,315 | 3,833,266 | 4,203,101 | 4,023,078 | 5,231,002 | 6,046,689 |
| 40.10% | 41.99% | 41.83% | 45.35% | 40.72% | 41.72% |
| 762,167 | 628,629 | 664,715 | 815,769 | 850,714 | 829,232 |
| 496.52% | 609.78% | 632.32% | 493.16% | 614.90% | 729.19% |

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2021

| 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% |
| 2020 | (4.96%) |
| 2021 | 19.89% |

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, 2021**

| | 2019 | 2020 | 2021 |
|------------------------------------------------------------------|--------------|-----------|-----------|
| Total OPEB Liability | | | |
| Service Cost | \$ 9,273 | 9,819 | 11,760 |
| Interest | 8,193 | 8,236 | 6,478 |
| Changes in Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | - | - | (19,567) |
| Change of Assumptions or Other Inputs | 3,621 | 33,197 | 19,506 |
| Benefit Payments | (7,401) | (12,845) | (18,208) |
| Net Change in Total OPEB Liability | 13,686 | 38,407 | (31) |
| Total OPEB Liability - Beginning | 210,075 | 223,761 | 262,168 |
| Total OPEB Liability - Ending | 223,761 | 262,168 | 262,137 |
| Covered-Employee Payroll | \$ 2,267,478 | 2,556,338 | 2,458,250 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 9.87% | 10.26% | 10.66% |

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019, 2020 and 2021.

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available. The Village implemented GASB 74/75 starting in fiscal year April 30, 2019.

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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|--------------------------------------------------------------|---------------------------------|------------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | \$ 2,087,609 | 1,983,135 | (104,474) | 2,011,050 |
| Intergovernmental | 1,400,900 | 1,688,939 | 288,039 | 1,417,227 |
| Licenses and Permits | 410,665 | 467,987 | 57,322 | 407,059 |
| Charges for Services | 203,940 | 186,173 | (17,767) | 199,368 |
| Fines and Forfeitures | 86,000 | 63,530 | (22,470) | 76,383 |
| Interest Income | 22,250 | 11,376 | (10,874) | 26,086 |
| Miscellaneous | 368,118 | 496,324 | 128,206 | 443,834 |
| Total Revenues | <u>4,579,482</u> | <u>4,897,464</u> | <u>317,982</u> | <u>4,581,007</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 642,493 | 633,434 | (9,059) | 611,927 |
| Public Safety | 2,367,268 | 2,378,302 | 11,034 | 2,455,890 |
| Public Works | 571,050 | 534,016 | (37,034) | 577,489 |
| Building and Public Grounds | 529,778 | 505,500 | (24,278) | 549,323 |
| Culture and Recreation | 438,893 | 188,467 | (250,426) | 444,549 |
| Capital Outlay | 102,000 | 21,993 | (80,007) | 8,100 |
| Total Expenditures | <u>4,651,482</u> | <u>4,261,712</u> | <u>(389,770)</u> | <u>4,647,278</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(72,000)</u> | <u>635,752</u> | <u>707,752</u> | <u>(66,271)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | - | 5,260 | 5,260 | - |
| Transfers Out | (30,000) | (15,394) | 14,606 | (110,721) |
| | <u>(30,000)</u> | <u>(10,134)</u> | <u>19,866</u> | <u>(110,721)</u> |
| Net Change in Fund Balance | <u>(102,000)</u> | <u>625,618</u> | <u>727,618</u> | <u>(176,992)</u> |
| Fund Balance - Beginning | | <u>1,416,716</u> | | <u>1,593,708</u> |
| Fund Balance - Ending | | <u>2,042,334</u> | | <u>1,416,716</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 Statements – Custodial Funds Funds

INDIVIDUAL FUND DESCRIPTIONS

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.

INDIVIDUAL FUND DESCRIPTIONS

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.

INDIVIDUAL FUND DESCRIPTIONS

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 CUSTODIAL 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.

CUSTODIAL 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, 2021
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|-------------------------|---------------------------------|-----------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Taxes | | | | |
| Property | \$ 1,448,344 | 1,422,163 | (26,181) | 1,450,299 |
| Utility | 429,265 | 391,033 | (38,232) | 393,704 |
| Other Taxes | 210,000 | 169,939 | (40,061) | 167,047 |
| Total Taxes | 2,087,609 | 1,983,135 | (104,474) | 2,011,050 |
| Intergovernmental | | | | |
| State Sales Tax | 869,664 | 936,706 | 67,042 | 866,394 |
| State Income Tax | 515,236 | 555,647 | 40,411 | 525,339 |
| Replacement Tax | 16,000 | 12,252 | (3,748) | 12,994 |
| Grants | - | 184,334 | 184,334 | 12,500 |
| Total Intergovernmental | 1,400,900 | 1,688,939 | 288,039 | 1,417,227 |
| Licenses and Permits | 410,665 | 467,987 | 57,322 | 407,059 |
| Charges for Services | 203,940 | 186,173 | (17,767) | 199,368 |
| Fines and Forfeitures | 86,000 | 63,530 | (22,470) | 76,383 |
| Interest Income | 22,250 | 11,376 | (10,874) | 26,086 |
| Miscellaneous | | | | |
| Fees by Agreement | 269,779 | 269,722 | (57) | 252,313 |
| Miscellaneous | 98,339 | 226,602 | 128,263 | 191,521 |
| Total Miscellaneous | 368,118 | 496,324 | 128,206 | 443,834 |
| Total Revenues | 4,579,482 | 4,897,464 | 317,982 | 4,581,007 |

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2021

(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|-------------------------------------|---------------------------------|-----------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| General Government | | | | |
| Administration | | | | |
| Wages | \$ 286,125 | 290,264 | 4,139 | 299,260 |
| Benefits | 103,071 | 99,296 | (3,775) | 91,207 |
| Risk Management Insurance | 3,675 | 9,687 | 6,012 | 9,482 |
| Legal Fees | 55,000 | 47,318 | (7,682) | 38,608 |
| Consultants, Engineers and Planners | 550 | - | (550) | 184 |
| Other Contractual Services | 55,350 | 42,707 | (12,643) | 77,387 |
| Commodities | 46,150 | 43,414 | (2,736) | 45,128 |
| Public Affairs | | | | |
| Benefits | 22,665 | 22,391 | (274) | 21,169 |
| Risk Management Insurance | 350 | 842 | 492 | 822 |
| Legal Fees | 5,000 | - | (5,000) | 371 |
| Consultants, Engineers and Planners | 5,000 | - | (5,000) | 295 |
| Other Contractual Services | 16,000 | 6,823 | (9,177) | 12,707 |
| Commodities | 4,400 | 3,963 | (437) | 4,209 |
| Finance | | | | |
| Wages | 90,270 | 98,706 | 8,436 | 92,206 |
| Benefits | 40,032 | 20,729 | (19,303) | 23,650 |
| Risk Management Insurance | 1,225 | 2,946 | 1,721 | 2,861 |
| Legal Fees | 275 | 389 | 114 | 492 |
| Consultants, Engineers and Planners | 55,655 | 43,204 | (12,451) | 55,628 |
| Commodities | 7,200 | 5,272 | (1,928) | 3,445 |
| Other | | | | |
| Other Contractual Services | 4,500 | 5,483 | 983 | 4,004 |
| | 802,493 | 743,434 | (59,059) | 783,115 |
| Less Administrative Charges | (160,000) | (110,000) | 50,000 | (171,188) |
| Total General Government | 642,493 | 633,434 | (9,059) | 611,927 |
| Public Safety | | | | |
| Wages | 1,416,920 | 1,436,293 | 19,373 | 1,403,033 |
| Benefits | 643,898 | 606,623 | (37,275) | 592,351 |
| Risk Management Insurance | 14,350 | 36,442 | 22,092 | 53,641 |
| Legal Fees | 27,500 | 32,129 | 4,629 | 24,392 |

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|------------------------------------------|---------------------------------|------------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Public Safety - Continued | | | | |
| Other Contractual Services | \$ 167,100 | 174,922 | 7,822 | 282,352 |
| Commodities | 97,500 | 91,893 | (5,607) | 100,121 |
| Total Public Safety | 2,367,268 | 2,378,302 | 11,034 | 2,455,890 |
| Public Works | | | | |
| Wages | 281,800 | 255,978 | (25,822) | 268,452 |
| Benefits | 83,500 | 79,818 | (3,682) | 76,313 |
| Risk Management Insurance | 3,850 | 9,257 | 5,407 | 15,068 |
| Legal Fees | 1,000 | 2,618 | 1,618 | 2,574 |
| Other Contractual Services | 156,350 | 149,932 | (6,418) | 182,084 |
| Commodities | 44,550 | 36,413 | (8,137) | 32,998 |
| Total Public Works | 571,050 | 534,016 | (37,034) | 577,489 |
| Building and Public Grounds | | | | |
| Building | | | | |
| Wages | 217,495 | 217,002 | (493) | 207,850 |
| Benefits | 62,133 | 63,157 | 1,024 | 49,235 |
| Risk Management Insurance | 1,925 | 4,629 | 2,704 | 4,522 |
| Legal Fees | 20,000 | 13,667 | (6,333) | 14,558 |
| Other Contractual Services | 93,175 | 97,370 | 4,195 | 129,117 |
| Commodities | 7,300 | 7,074 | (226) | 6,250 |
| Public Grounds | | | | |
| Risk Management Insurance | 1,050 | 2,525 | 1,475 | 2,466 |
| Other Contractual Services | 117,100 | 93,329 | (23,771) | 128,859 |
| Commodities | 9,600 | 6,747 | (2,853) | 6,466 |
| Total Building and Public Grounds | 529,778 | 505,500 | (24,278) | 549,323 |

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|-------------------------------------|---------------------------------|------------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Culture and Recreation | | | | |
| Recreation | | | | |
| Wages | \$ 204,015 | 102,400 | (101,615) | 200,746 |
| Benefits | 64,528 | 36,527 | (28,001) | 60,280 |
| Risk Management Insurance | 2,800 | 6,733 | 3,933 | 17,818 |
| Legal Fees | 250 | 704 | 454 | - |
| Other Contractual Services | 65,500 | 25,830 | (39,670) | 61,117 |
| Commodities | 34,400 | 11,812 | (22,588) | 31,536 |
| Festivals | | | | |
| Other Contractual Services | 58,400 | 3,610 | (54,790) | 60,426 |
| Commodities | 9,000 | 851 | (8,149) | 12,626 |
| Total Culture and Recreation | 438,893 | 188,467 | (250,426) | 444,549 |
| Capital Outlay | | | | |
| Administration | 67,000 | - | (67,000) | - |
| Public Safety | - | 21,993 | 21,993 | - |
| Building and Public Grounds | 35,000 | - | (35,000) | 8,100 |
| | 102,000 | 21,993 | (80,007) | 8,100 |
| Total Expenditures | 4,651,482 | 4,261,712 | (389,770) | 4,647,278 |

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2021

| | Special Revenue | Capital Projects | Totals |
|-------------------------------------|--------------------|---------------------|-----------|
| ASSETS | | | |
| Cash and Investments | \$ 711,759 | 834,722 | 1,546,481 |
| Receivables - Net of Allowances | | | |
| Other Taxes | - | 59,786 | 59,786 |
| Due from Other Governments | 61,608 | - | 61,608 |
| | | | |
| Total Assets | 773,367 | 894,508 | 1,667,875 |
| LIABILITES | | | |
| Accounts Payable | 936 | 2,954 | 3,890 |
| FUND BALANCES | | | |
| Restricted | 756,209 | - | 756,209 |
| Committed | - | 891,554 | 891,554 |
| Assigned | 16,222 | - | 16,222 |
| Total Fund Balances | 772,431 | 891,554 | 1,663,985 |
| | | | |
| Total Liabilities and Fund Balances | 773,367 | 894,508 | 1,667,875 |

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, 2021**

| | Special Revenue | Capital Projects | Totals |
|--------------------------------------------------------------|-----------------------|-----------------------|-------------------------|
| Revenues | | | |
| Taxes | \$ 152,916 | 200,308 | 353,224 |
| Intergovernmental | 333,260 | - | 333,260 |
| Interest | 691 | 318 | 1,009 |
| Miscellaneous | 11,978 | - | 11,978 |
| Total Revenues | <u>498,845</u> | <u>200,626</u> | <u>699,471</u> |
| Expenditures | | | |
| Current | | | |
| Public Works | 88,107 | - | 88,107 |
| Culture and Recreation | 1,121 | - | 1,121 |
| Capital Outlay | - | 113,916 | 113,916 |
| Debt Service | | | |
| Principal Retirement | 35,000 | - | 35,000 |
| Interest and Fiscal Charges | 11,050 | - | 11,050 |
| Total Expenditures | <u>135,278</u> | <u>113,916</u> | <u>249,194</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>363,567</u> | <u>86,710</u> | <u>450,277</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | 46,050 | - | 46,050 |
| Transfers Out | (47,666) | - | (47,666) |
| | <u>(1,616)</u> | <u>-</u> | <u>(1,616)</u> |
| Net Change in Fund Balances | 361,951 | 86,710 | 448,661 |
| Fund Balances - Beginning | <u>410,480</u> | <u>804,844</u> | <u>1,215,324</u> |
| Fund Balances - Ending | <u><u>772,431</u></u> | <u><u>891,554</u></u> | <u><u>1,663,985</u></u> |

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2021

| | Motor Fuel Tax | Police Forfeiture | Land Acquisition and Recreation | Exaction Fee | Fine Arts | Totals |
|-------------------------------------|----------------------|----------------------|------------------------------------------|-----------------|--------------|---------|
| ASSETS | | | | | | |
| Cash and Investments | \$ 654,344 | 41,193 | - | - | 16,222 | 711,759 |
| Due from Other Governments | 61,608 | - | - | - | - | 61,608 |
| Total Assets | 715,952 | 41,193 | - | - | 16,222 | 773,367 |
| LIABILITIES | | | | | | |
| Accounts Payable | 936 | - | - | - | - | 936 |
| FUND BALANCES | | | | | | |
| Restricted | 715,016 | 41,193 | - | - | - | 756,209 |
| Assigned | - | - | - | - | 16,222 | 16,222 |
| Total Fund Balances | 715,016 | 41,193 | - | - | 16,222 | 772,431 |
| Total Liabilities and Fund Balances | 715,952 | 41,193 | - | - | 16,222 | 773,367 |

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, 2021**

| | Motor Fuel Tax | Police Forfeiture | Land Acquisition and Recreation | Exaction Fee | Fine Arts | Totals |
|----------------------------------------------------------------------|----------------------|----------------------|------------------------------------------|-----------------|---------------|----------------|
| Revenues | | | | | | |
| Taxes | \$ 152,916 | - | - | - | - | 152,916 |
| Intergovernmental | 333,260 | - | - | - | - | 333,260 |
| Interest | 683 | 5 | - | - | 3 | 691 |
| Miscellaneous | - | - | - | 10,678 | 1,300 | 11,978 |
| Total Revenues | 486,859 | 5 | - | 10,678 | 1,303 | 498,845 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Public Works | 88,107 | - | - | - | - | 88,107 |
| Culture and Recreation | - | - | - | - | 1,121 | 1,121 |
| Debt Service | | | | | | |
| Principal Retirement | - | - | 35,000 | - | - | 35,000 |
| Interest and Fiscal Charges | - | - | 11,050 | - | - | 11,050 |
| Total Expenditures | 88,107 | - | 46,050 | - | 1,121 | 135,278 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 398,752 | 5 | (46,050) | 10,678 | 182 | 363,567 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | - | - | 46,050 | - | - | 46,050 |
| Transfers Out | - | - | - | (47,666) | - | (47,666) |
| | - | - | 46,050 | (47,666) | - | (1,616) |
| Net Change in Fund Balances | 398,752 | 5 | - | (36,988) | 182 | 361,951 |
| Fund Balances - Beginning | 316,264 | 41,188 | - | 36,988 | 16,040 | 410,480 |
| Fund Balances - Ending | 715,016 | 41,193 | - | - | 16,222 | 772,431 |

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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|----------------------------|---------------------------------|----------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | | | | |
| Local Motor Fuel Taxes | \$ - | 152,916 | 152,916 | - |
| Intergovernmental | | | | |
| Motor Fuel Tax Allotments | 122,871 | 173,542 | 50,671 | 178,862 |
| Grants | - | 159,718 | 159,718 | - |
| Interest Income | 4,000 | 683 | (3,317) | 4,896 |
| Total Revenues | 126,871 | 486,859 | 359,988 | 183,758 |
| Expenditures | | | | |
| Public Works | | | | |
| Commodities | 114,750 | 88,107 | (26,643) | 76,771 |
| Capital Outlay | 100,000 | - | (100,000) | - |
| Total Expenditures | 214,750 | 88,107 | (126,643) | 76,771 |
| Net Change in Fund Balance | <u>(87,879)</u> | 398,752 | <u>486,631</u> | 106,987 |
| Fund Balance - Beginning | | <u>316,264</u> | | <u>209,277</u> |
| Fund Balance - Ending | | <u>715,016</u> | | <u>316,264</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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 |
|----------------------------|---------------------------------|---------------|-----------------------------|-----------------|
| | Original and Final Budget | Actual | | Actual |
| Revenues | | | | |
| Fines and Forfeitures | \$ - | - | - | 111,032 |
| Interest Income | - | 5 | 5 | 23 |
| Total Revenues | - | 5 | 5 | 111,055 |
| Expenditures | | | | |
| Public Safety | | | | |
| Commodities | 4,000 | - | (4,000) | - |
| Services | 4,000 | - | (4,000) | 4,371 |
| Capital Outlay | 33,200 | - | (33,200) | 33,055 |
| Total Expenditures | 41,200 | - | (41,200) | 37,426 |
| Net Change in Fund Balance | <u>(41,200)</u> | 5 | <u>41,205</u> | 73,629 |
| Fund Balance - Beginning | | <u>41,188</u> | | <u>(32,441)</u> |
| Fund Balance - Ending | | <u>41,193</u> | | <u>41,188</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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|--------------------------------------------------------------|---------------------------------|----------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Intergovernmental | \$ - | - | - | - |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal Retirement | 35,000 | 35,000 | - | 35,000 |
| Interest and Fiscal Charges | 11,050 | 11,050 | - | 12,506 |
| Total Expenditures | 46,050 | 46,050 | - | 47,506 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (46,050) | (46,050) | - | (47,506) |
| Other Financing Sources | | | | |
| Transfers In | 30,000 | 46,050 | 16,050 | 47,506 |
| Net Change in Fund Balance | <u>(16,050)</u> | - | <u>16,050</u> | - |
| Fund Balance - Beginning | | - | | - |
| Fund Balance - Ending | | <u>-</u> | | <u>-</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Balance Sheet
April 30, 2021**

| | Capital Improvements | 1/2% Sales Tax | Totals |
|----------------------------------------------|-------------------------|-------------------|---------|
| ASSETS | | | |
| Cash and Investments | \$ 133,061 | 701,661 | 834,722 |
| Receivables - Net of Allowances Sales Tax | - | 59,786 | 59,786 |
| | <hr/> | | |
| Total Assets | 133,061 | 761,447 | 894,508 |
| | <hr/> <hr/> | | |
| LIABILITIES | | | |
| Accounts Payable | - | 2,954 | 2,954 |
| FUND BALANCES | | | |
| Committed | 133,061 | 758,493 | 891,554 |
| | <hr/> | | |
| Total Liabilities and Fund Balances | 133,061 | 761,447 | 894,508 |
| | <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, 2021**

| | Capital Improvements | 1/2% Sales Tax | Totals |
|-----------------------------|-------------------------|-------------------|---------|
| Revenues | | | |
| Taxes | \$ - | 200,308 | 200,308 |
| Interest Income | 116 | 202 | 318 |
| Total Revenues | 116 | 200,510 | 200,626 |
| Expenditures | | | |
| Capital Outlay | - | 113,916 | 113,916 |
| Net Change in Fund Balances | 116 | 86,594 | 86,710 |
| Fund Balances - Beginning | 132,945 | 671,899 | 804,844 |
| Fund Balances - Ending | 133,061 | 758,493 | 891,554 |

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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|----------------------------|---------------------------------|----------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Interest Income | \$ 500 | 116 | (384) | 850 |
| Expenditures | | | | |
| Building and Grounds | - | - | - | - |
| Net Change in Fund Balance | <u>500</u> | 116 | <u>(384)</u> | 850 |
| Fund Balance - Beginning | | <u>132,945</u> | | <u>132,095</u> |
| Fund Balance - Ending | | <u>133,061</u> | | <u>132,945</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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|----------------------------|---------------------------------|----------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Revenues | | | | |
| Taxes | \$ 210,000 | 200,308 | (9,692) | 197,990 |
| Interest Income | 2,200 | 202 | (1,998) | 2,717 |
| Total Revenues | <u>212,200</u> | <u>200,510</u> | <u>(11,690)</u> | <u>200,707</u> |
| Expenditures | | | | |
| Capital Outlay | <u>393,000</u> | <u>113,916</u> | <u>(279,084)</u> | <u>55,797</u> |
| Net Change in Fund Balance | <u>(180,800)</u> | 86,594 | <u>267,394</u> | 144,910 |
| Fund Balance - Beginning | | <u>671,899</u> | | <u>526,989</u> |
| Fund Balance - Ending | | <u>758,493</u> | | <u>671,899</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, 2021
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|---------------------------------------|---------------------------------|--------------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,801,920 | 2,051,971 | 250,051 | 1,913,844 |
| Sale of Water Meters | 4,000 | 6,330 | 2,330 | 6,643 |
| Miscellaneous | 750 | 6,131 | 5,381 | 5,297 |
| Total Operating Revenues | <u>1,806,670</u> | <u>2,064,432</u> | <u>257,762</u> | <u>1,925,784</u> |
| Operating Expenses | | | | |
| Personnel | 522,507 | 407,195 | (115,312) | 488,538 |
| Commodities | 167,800 | 98,580 | (69,220) | 51,911 |
| Water Purchases | 740,000 | 849,040 | 109,040 | 751,458 |
| Services | 456,800 | 521,688 | 64,888 | 365,559 |
| Capital Outlay | 222,000 | 74,726 | (147,274) | 54,173 |
| Total Operating Expenses | <u>2,109,107</u> | <u>1,951,229</u> | <u>(157,878)</u> | <u>1,711,639</u> |
| Operating Income (Loss) | <u>(302,437)</u> | <u>113,203</u> | <u>415,640</u> | <u>214,145</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 1,500 | 1,815 | 315 | 1,838 |
| Rental Income | 20,000 | 19,901 | (99) | 18,578 |
| Tap-On Fees | 15,000 | 18,316 | 3,316 | 32,875 |
| Principal Retirement | (85,000) | (1,050,000) | (965,000) | (117,800) |
| Interest Expense | (44,190) | (53,726) | (9,536) | (47,841) |
| Loss on Refunding | - | (9,148) | (9,148) | - |
| | <u>(92,690)</u> | <u>(1,072,842)</u> | <u>(980,152)</u> | <u>(112,350)</u> |
| Income (Loss) Before Transfers | <u>(395,127)</u> | <u>(959,639)</u> | <u>(564,512)</u> | <u>101,795</u> |
| Transfers Out | <u>(90,000)</u> | <u>(30,000)</u> | <u>60,000</u> | <u>(30,000)</u> |
| Income (Loss) Before GAAP Adjustments | <u>(485,127)</u> | <u>(989,639)</u> | <u>(504,512)</u> | <u>71,795</u> |
| Principal Retirement | | 1,050,000 | | 117,800 |
| Capitalized Assets | | 74,726 | | 54,173 |
| Depreciation | | <u>(499,112)</u> | | <u>(492,007)</u> |
| Change in Net Position | | <u>(364,025)</u> | | <u>(248,239)</u> |
| Net Position - Beginning | | <u>9,312,877</u> | | <u>9,561,116</u> |
| Net Position - Ending | | <u>8,948,852</u> | | <u>9,312,877</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, 2021
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|---------------------------------------|---------------------------------|-----------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 480,100 | 491,865 | 11,765 | 471,281 |
| Miscellaneous | 500 | 1,000 | 500 | 14,120 |
| Total Operating Revenues | 480,600 | 492,865 | 12,265 | 485,401 |
| Operating Expenses | | | | |
| Personnel | 201,771 | 148,083 | (53,688) | 176,426 |
| Commodities | 96,000 | 34,518 | (61,482) | 41,136 |
| Services | 158,250 | 152,271 | (5,979) | 150,344 |
| Capital Outlay | 200,000 | 72,706 | (127,294) | 27,330 |
| Total Operating Expenses | 656,021 | 407,578 | (248,443) | 395,236 |
| Operating Income (Loss) | (175,421) | 85,287 | 260,708 | 90,165 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | - | 341 | 341 | - |
| Tap-On Fees | 14,000 | - | (14,000) | 21,263 |
| Disposal of Capital Assets | - | 58,436 | 58,436 | - |
| Principal Retirement | - | - | - | (42,200) |
| Interest Expense | - | - | - | (1,875) |
| | 14,000 | 58,777 | 44,777 | (22,812) |
| Income (Loss) Before Transfers | (161,421) | 144,064 | 305,485 | 67,353 |
| Transfers In | - | 30,000 | 30,000 | 30,000 |
| Transfers Out | (30,000) | - | 30,000 | - |
| | (30,000) | 30,000 | 60,000 | 30,000 |
| Income (Loss) Before GAAP Adjustments | (191,421) | 174,064 | 365,485 | 97,353 |
| Principal Retirement | | - | | 42,200 |
| Capitalized Assets | | 61,059 | | 18,423 |
| Depreciation | | (458,241) | | (453,279) |
| Change in Net Position | | (223,118) | | (295,303) |
| Net Position - Beginning | | 8,373,901 | | 8,669,204 |
| Net Position - Ending | | 8,150,783 | | 8,373,901 |

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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|--------------------------------|---------------------------------|---------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 372,750 | 384,390 | 11,640 | 370,396 |
| Operating Expenses | | | | |
| Services | 370,250 | 328,245 | (42,005) | 387,281 |
| Income (Loss) Before Transfers | 2,500 | 56,145 | 53,645 | (16,885) |
| Transfers In | - | - | - | 63,215 |
| Change in Net Position | <u>2,500</u> | 56,145 | <u>53,645</u> | 46,330 |
| Net Position - Beginning | | <u>32,327</u> | | <u>(14,003)</u> |
| Net Position - Ending | | <u>88,472</u> | | <u>32,327</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, 2021
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)**

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|---------------------------------------|---------------------------------|----------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 99,250 | 4,559 | (94,691) | 95,484 |
| Miscellaneous | - | 96 | 96 | - |
| | <u>99,250</u> | <u>4,655</u> | <u>(94,595)</u> | <u>95,484</u> |
| Operating Expenses | | | | |
| Commodities | 48,300 | 15,534 | (32,766) | 4,540 |
| Services | 84,525 | 29,671 | (54,854) | 80,172 |
| Total Operating Expenses | <u>132,825</u> | <u>45,205</u> | <u>(87,620)</u> | <u>84,712</u> |
| Operating Income (Loss) | (33,575) | (40,550) | (6,975) | 10,772 |
| Nonoperating Revenues | | | | |
| Interest Income | 125 | 92 | (33) | 123 |
| Income (Loss) Before Transfers | (33,450) | (40,458) | (7,008) | 10,895 |
| Transfers In | - | 11,750 | 11,750 | - |
| Income (Loss) Before GAAP Adjustments | <u>(33,450)</u> | (28,708) | <u>4,742</u> | 10,895 |
| Depreciation | | <u>(1,067)</u> | | <u>(1,068)</u> |
| Change in Net Position | | (29,775) | | 9,827 |
| Net Position - Beginning | | <u>129,283</u> | | <u>119,456</u> |
| Net Position - Ending | | <u>99,508</u> | | <u>129,283</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, 2021
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2020)

| | 4/30/21 | | Variance Over (Under) | 4/30/20 Actual |
|---------------------------------------------|---------------------------------|------------------|-----------------------------|-------------------|
| | Original and Final Budget | Actual | | |
| Additions | | | | |
| Contributions - Employer | \$ 335,000 | 335,000 | - | 325,000 |
| Contributions - Plan Members | 80,000 | 82,177 | 2,177 | 84,306 |
| Total Contributions | 415,000 | 417,177 | 2,177 | 409,306 |
| Investment Income | | | | |
| Interest Earned | - | 448,168 | 448,168 | 117,853 |
| Net Change in Fair Value | - | 262,733 | 262,733 | (63,932) |
| | - | 710,901 | 710,901 | 53,921 |
| Less Investment Expenses | (13,650) | (14,357) | (707) | (13,279) |
| Net Investment Income | (13,650) | 696,544 | 710,194 | 40,642 |
| Total Additions | 401,350 | 1,113,721 | 712,371 | 449,948 |
| Deductions | | | | |
| Administration | - | 5,785 | 5,785 | 4,319 |
| Benefits and Refunds | 195,000 | 372,797 | 177,797 | 191,203 |
| Total Deductions | 195,000 | 378,582 | 183,582 | 195,522 |
| Change in Fiduciary Net Position | <u>206,350</u> | 735,139 | <u>528,789</u> | 254,426 |
| Net Position Restricted for Pensions | | | | |
| Beginning | | <u>3,593,504</u> | | <u>3,339,078</u> |
| Ending | | <u>4,328,643</u> | | <u>3,593,504</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Special Assessment - Custodial Funds

**Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended April 30, 2021**

| | Special Assessment Fund #9 | Special Assessment Fund #11 | Special Assessment Fund #12 |
|----------------------------------------------------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 123,179 | 37,024 | 187,037 |
| LIABILITIES | | | |
| Accounts Payable | - | - | - |
| NET POSITION | | | |
| Net Position Restricted for Individuals, Organizations, and Other Governments | 123,179 | 37,024 | 187,037 |

| Special Assessment Fund #93-1 | Special Assessment Fund #96-1A | Special Assessment Fund #96-1B | Special Assessment Fund #13A | Special Assessment Fund #13B | Total |
|-------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-----------|
| 561,666 | 89,223 | 27,643 | 64,116 | 1,598 | 1,091,486 |
| 245 | - | - | - | - | 245 |
| 561,421 | 89,223 | 27,643 | 64,116 | 1,598 | 1,091,241 |

VILLAGE OF PALOS PARK, ILLINOIS

Special Assessment - Custodial Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2021**

| | Special Assessment Fund #9 | Special Assessment Fund #11 | Special Assessment Fund #12 |
|----------------------------------------------------------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Additions | | | |
| Contributions | \$ - | - | - |
| Interest Income | - | 10 | 452 |
| Total Additions | - | 10 | 452 |
| Deductions | | | |
| Administration | - | - | - |
| Change in Fiduciary Net Position | - | 10 | 452 |
| Net Position Restricted for Individuals, Organizations, and Other Governments | | | |
| Beginning as Restated | 123,179 | 37,014 | 186,585 |
| Ending | 123,179 | 37,024 | 187,037 |

| Special Assessment Fund #93-1 | Special Assessment Fund #96-1A | Special Assessment Fund #96-1B | Special Assessment Fund #13A | Special Assessment Fund #13B | Total |
|-------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-----------|
| - | - | 439 | - | - | 439 |
| - | - | - | - | - | 462 |
| - | - | 439 | - | - | 901 |
| - | - | 413 | - | 102 | 515 |
| - | - | 26 | - | (102) | 386 |
| 561,421 | 89,223 | 27,617 | 64,116 | 1,700 | 1,090,855 |
| 561,421 | 89,223 | 27,643 | 64,116 | 1,598 | 1,091,241 |

SUPPLEMENTAL SCHEDULES

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Alternate Revenue Bonds of 2021
April 30, 2021**

| | |
|-------------------------|-----------------------|
| Date of Issue | January 19, 2021 |
| Date of Maturity | December 1, 2029 |
| Authorized Issue | \$1,000,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 0.95% - 1.75% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Republic Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|------------------|---------------|------------------|
| 2022 | \$ 105,000 | 11,266 | 116,266 |
| 2023 | 110,000 | 12,567 | 122,567 |
| 2024 | 110,000 | 11,413 | 121,413 |
| 2025 | 110,000 | 10,148 | 120,148 |
| 2026 | 110,000 | 8,773 | 118,773 |
| 2027 | 110,000 | 7,287 | 117,287 |
| 2028 | 115,000 | 5,693 | 120,693 |
| 2029 | 115,000 | 3,910 | 118,910 |
| 2030 | 115,000 | 2,012 | 117,012 |
| | <u>1,000,000</u> | <u>73,069</u> | <u>1,073,069</u> |

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Debt Certificates of 2006

April 30, 2021

| | |
|-------------------------|------------------------|
| 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

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-----------------|----------------|
| 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>205,000</u> | <u>27,600</u> | <u>232,600</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

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

See Following Page

VILLAGE OF PALOS PARK, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2021 (Unaudited)

| | 2012 | 2013 | 2014 | 2015 |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 3,585,298 | 3,833,183 | 4,026,741 | 4,072,934 |
| Restricted | 1,202,700 | 1,300,144 | 1,285,489 | 1,370,146 |
| Unrestricted | 1,584,791 | 1,427,640 | 1,312,363 | 1,142,238 |
| Total Governmental Activities Net Position | 6,372,789 | 6,560,967 | 6,624,593 | 6,585,318 |
| Business-Type Activities | | | | |
| Net Investment in Capital Assets | 20,116,269 | 19,433,528 | 18,781,396 | 18,200,951 |
| Unrestricted | 2,355,704 | 2,531,844 | 2,735,861 | 2,747,702 |
| Total Business-Type Activities Net Position | 22,471,973 | 21,965,372 | 21,517,257 | 20,948,653 |
| Primary Government | | | | |
| Net Investment in Capital Assets | 23,701,567 | 23,266,711 | 22,808,137 | 22,273,885 |
| Restricted | 1,202,700 | 1,300,144 | 1,285,489 | 1,370,146 |
| Unrestricted | 3,940,495 | 3,959,484 | 4,048,224 | 3,889,940 |
| Total Primary Government Net Position | 28,844,762 | 28,526,339 | 28,141,850 | 27,533,971 |

Data Source: Audited Financial Statements

* Accrual Basis of Accounting

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 4,247,176 | 4,321,833 | 4,254,941 | 4,165,843 | 4,047,163 | 3,982,149 |
| 1,035,595 | 836,377 | 1,011,916 | 890,713 | 400,144 | 806,475 |
| (2,891,941) | (3,043,625) | (3,411,839) | (3,534,851) | (3,347,219) | (2,785,006) |
| 2,390,830 | 2,114,585 | 1,855,018 | 1,521,705 | 1,100,088 | 2,003,618 |
| 17,547,723 | 16,928,804 | 16,182,778 | 15,454,054 | 14,740,296 | 13,953,687 |
| 2,706,556 | 2,769,067 | 3,026,951 | 2,881,719 | 3,108,092 | 3,333,928 |
| 20,254,279 | 19,697,871 | 19,209,729 | 18,335,773 | 17,848,388 | 17,287,615 |
| 21,794,899 | 21,250,637 | 20,437,719 | 19,619,897 | 18,787,459 | 17,935,836 |
| 1,035,595 | 836,377 | 1,011,916 | 890,713 | 400,144 | 806,475 |
| (185,385) | (274,558) | (384,888) | (653,132) | (239,127) | 548,922 |
| 22,645,109 | 21,812,456 | 21,064,747 | 19,857,478 | 18,948,476 | 19,291,233 |

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2021 (Unaudited)

| Expenses | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 1,493,087 | 1,255,154 | 1,248,865 | 1,082,473 | 1,025,499 | 721,192 | 895,776 | 698,093 | 713,486 | 534,585 |
| Public Safety | 1,930,667 | 2,076,275 | 2,084,277 | 2,113,476 | 2,698,289 | 2,634,989 | 2,512,388 | 2,560,411 | 2,976,891 | 2,770,316 |
| Public Works | 637,683 | 480,874 | 742,048 | 1,000,130 | 704,318 | 576,081 | 603,189 | 1,207,602 | 742,161 | 656,183 |
| Building and Public Grounds | - | - | - | - | 688,816 | 498,089 | 565,910 | 549,017 | 549,323 | 505,500 |
| Culture and Recreation | 296,926 | 364,858 | 565,181 | 483,981 | 562,906 | 516,908 | 459,347 | 467,237 | 474,916 | 204,633 |
| Solid Waste | 286,300 | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 49,317 | 43,988 | 35,460 | 24,007 | 16,953 | 15,671 | 14,456 | 13,227 | 11,899 | 10,438 |
| Total Governmental Activities Expenses | 4,693,980 | 4,221,149 | 4,675,831 | 4,704,067 | 5,696,781 | 4,962,930 | 5,051,066 | 5,495,587 | 5,468,676 | 4,681,655 |
| Business-Type Activities | | | | | | | | | | |
| Water | 2,554,123 | 2,868,890 | 2,929,994 | 2,877,825 | 2,107,252 | 2,201,814 | 2,294,997 | 2,258,454 | 2,197,314 | 2,438,489 |
| Sewer Maintenance | - | - | - | - | 771,114 | 781,918 | 777,810 | 886,842 | 831,967 | 746,324 |
| Refuse and Recycling | - | 296,803 | 303,759 | 310,069 | 316,838 | 354,417 | 357,510 | 360,784 | 387,281 | 328,245 |
| Commuter Parking Lot | 70,087 | 86,729 | 90,762 | 80,204 | 81,690 | 82,748 | 66,503 | 90,327 | 85,780 | 46,272 |
| Total Business-Type Activities Expenses | 2,624,210 | 3,252,422 | 3,324,515 | 3,268,098 | 3,276,894 | 3,420,897 | 3,496,820 | 3,596,407 | 3,502,342 | 3,559,330 |
| Total Primary Government Expenses | 7,318,190 | 7,473,571 | 8,000,346 | 7,972,165 | 8,973,675 | 8,383,827 | 8,547,886 | 9,091,994 | 8,971,018 | 8,240,985 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | 708,470 | 711,316 | 651,345 | 500,102 | 503,771 | 426,234 | 409,710 | 411,870 | 407,059 | 467,987 |
| Public Safety | 75,920 | 124,343 | 148,039 | 184,911 | 106,261 | 85,555 | 140,327 | 199,701 | 187,415 | 63,530 |
| Public Works | 12,530 | 12,583 | 11,174 | - | - | - | - | - | - | - |
| Culture and Recreation | 157,271 | 171,763 | 187,498 | 144,435 | 163,568 | 219,006 | 164,345 | 212,517 | 199,368 | 186,173 |
| Solid Waste | 314,705 | - | - | - | - | - | - | - | - | - |
| Operating Grants/Contributions | 274,280 | 202,430 | 331,191 | 145,937 | 123,981 | 122,854 | 123,759 | 123,039 | 191,362 | 517,594 |
| Capital Grants/Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 1,543,176 | 1,222,435 | 1,329,247 | 975,385 | 897,581 | 853,649 | 838,141 | 947,127 | 985,204 | 1,235,284 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water | 2,155,904 | 2,360,503 | 2,445,317 | 2,279,851 | 1,878,775 | 1,863,555 | 1,972,650 | 1,938,898 | 1,925,784 | 2,064,432 |
| Sewer Maintenance | - | - | - | - | 470,470 | 470,878 | 495,186 | 476,208 | 485,401 | 492,865 |
| Refuse and Recycling | - | 322,194 | 328,314 | 334,112 | 339,892 | 345,398 | 356,056 | 360,211 | 370,396 | 384,390 |
| Commuter Parking Lot | 86,417 | 87,093 | 87,443 | 88,986 | 97,095 | 101,901 | 91,885 | 103,301 | 95,484 | 4,655 |
| Total Business-Type Act. Program Rev. | 2,242,321 | 2,769,790 | 2,861,074 | 2,702,949 | 2,786,232 | 2,781,732 | 2,915,777 | 2,878,618 | 2,877,065 | 2,946,342 |
| Total Primary Gov't Program Revenues | 3,785,497 | 3,992,225 | 4,190,321 | 3,678,334 | 3,683,813 | 3,635,381 | 3,753,918 | 3,825,745 | 3,862,269 | 4,181,626 |

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (3,150,804) | (2,998,714) | (3,346,584) | (3,728,682) | (4,799,200) | (4,109,281) | (4,212,925) | (4,548,460) | (4,483,472) | (3,446,371) |
| Business-Type Activities | (381,889) | (482,632) | (463,441) | (565,149) | (490,662) | (639,165) | (581,043) | (717,789) | (625,277) | (612,988) |
| Total Primary Gov't Net (Expense) Revenue | (3,532,693) | (3,481,346) | (3,810,025) | (4,293,831) | (5,289,862) | (4,748,446) | (4,793,968) | (5,266,249) | (5,108,749) | (4,059,359) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 1,232,400 | 1,206,448 | 1,212,953 | 1,259,952 | 1,311,982 | 1,311,952 | 1,340,768 | 1,422,799 | 1,450,299 | 1,422,163 |
| Local Sales | 836,166 | 855,009 | 846,009 | 819,655 | 165,167 | 194,529 | 199,931 | 210,717 | 197,990 | 200,308 |
| Utility | 547,238 | 535,051 | 507,016 | 525,275 | 442,551 | 442,015 | 421,304 | 445,823 | 393,704 | 391,033 |
| Other Taxes | 239,702 | 243,637 | 233,195 | 236,261 | 272,394 | 162,083 | 207,021 | 210,148 | 167,047 | 322,855 |
| Intergovernmental - Unrestricted | | | | | | | | | | |
| State Sales Tax | - | - | - | - | 624,675 | 782,615 | 805,558 | 846,293 | 866,394 | 936,706 |
| State Income Tax | 365,586 | 393,386 | 436,814 | 472,322 | 516,556 | 458,162 | 439,535 | 470,590 | 525,339 | 555,647 |
| Replacement Tax | - | - | - | - | - | - | - | - | 12,994 | 12,252 |
| Interest Income | 13,018 | 14,298 | 6,034 | (2,121) | 5,543 | 20,730 | 43,014 | 47,291 | 34,575 | 12,385 |
| Miscellaneous | 20,233 | 29,815 | 39,355 | 51,790 | 524,000 | 460,950 | 496,227 | 545,541 | 476,728 | 508,302 |
| Gain on Sale of Capital Assets | - | 113,971 | 1,406 | 7,966 | - | - | - | - | - | - |
| Transfers | - | 4,110 | 4,110 | 39,110 | 30,000 | - | - | 175,000 | (63,215) | (11,750) |
| Total Governmental Activities | 3,254,343 | 3,395,725 | 3,286,892 | 3,410,210 | 3,892,868 | 3,833,036 | 3,953,358 | 4,374,202 | 4,061,855 | 4,349,901 |
| Business-Type Activities | | | | | | | | | | |
| Interest Income | 7,516 | 6,587 | 2,574 | (1,279) | 751 | 1,544 | 2,546 | 2,337 | 1,961 | 2,248 |
| Miscellaneous | - | - | 14,364 | 55,715 | 38,568 | 81,213 | 90,355 | 67,516 | 72,716 | 38,217 |
| Transfers | - | (4,110) | (4,110) | (39,110) | (30,000) | - | - | (175,000) | 63,215 | 11,750 |
| Total Business-Type Activities | 7,516 | 2,477 | 12,828 | 15,326 | 9,319 | 82,757 | 92,901 | (105,147) | 137,892 | 52,215 |
| Total Primary Government | 3,261,859 | 3,398,202 | 3,299,720 | 3,425,536 | 3,902,187 | 3,915,793 | 4,046,259 | 4,269,055 | 4,199,747 | 4,402,116 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 103,539 | 397,011 | (59,692) | (318,472) | (906,332) | (276,245) | (259,567) | (174,258) | (421,617) | 903,530 |
| Business-Type Activities | (374,373) | (480,155) | (450,613) | (549,823) | (481,343) | (556,408) | (488,142) | (822,936) | (487,385) | (560,773) |
| Total Primary Government | (270,834) | (83,144) | (510,305) | (868,295) | (1,387,675) | (832,653) | (747,709) | (997,194) | (909,002) | 342,757 |

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, 2021 (Unaudited)

| | 2012 | 2013 | 2014 |
|------------------------------------|-----------|-----------|-----------|
| General Fund | | | |
| Nonspendable | \$ 63,632 | 62,707 | 54,255 |
| Restricted | - | - | - |
| Unassigned | 1,336,321 | 1,452,159 | 1,438,325 |
| Total General Fund | 1,399,953 | 1,514,866 | 1,492,580 |
| All Other Governmental Funds | | | |
| Restricted | 1,202,700 | 1,300,144 | 1,285,489 |
| Committed | - | - | - |
| Assigned | 202,005 | 127,629 | 39,925 |
| Unassigned | - | - | - |
| Total All Other Governmental Funds | 1,404,705 | 1,427,773 | 1,325,414 |
| Total All Governmental Funds | 2,804,658 | 2,942,639 | 2,817,994 |

Data Source: Audited Financial Statements

* Modified Accrual Basis of Accounting

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 50,988 | 54,283 | 161,464 | 166,918 | 191,097 | 228,724 | 308,957 |
| 276,732 | 276,324 | 3,965 | 4,415 | 5,178 | 5,704 | 50,266 |
| 1,250,633 | 1,015,120 | 1,152,948 | 1,179,620 | 1,397,433 | 1,182,288 | 1,683,111 |
| 1,578,353 | 1,345,727 | 1,318,377 | 1,350,953 | 1,593,708 | 1,416,716 | 2,042,334 |
| 1,093,414 | 759,271 | 832,412 | 1,007,501 | 885,535 | 394,440 | 756,209 |
| - | - | - | - | - | 804,844 | 891,554 |
| 39,925 | 30,054 | 33,392 | 24,089 | 19,208 | 16,040 | 16,222 |
| - | - | (32,257) | (32,441) | (32,441) | - | - |
| 1,133,339 | 789,325 | 833,547 | 999,149 | 872,302 | 1,215,324 | 1,663,985 |
| 2,711,692 | 2,135,052 | 2,151,924 | 2,350,102 | 2,466,010 | 2,632,040 | 3,706,319 |

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
 April 30, 2021 (Unaudited)

| | 2012 | 2013 | 2014 |
|--------------------------------------------------------------|------------------|------------------|------------------|
| Revenues | | | |
| Taxes | \$ 3,233,531 | 2,133,625 | 2,194,108 |
| Intergovernmental | 275,619 | 1,305,910 | 1,451,972 |
| Licenses and Permits | 482,653 | 459,802 | 372,638 |
| Charges for Services | 49,747 | 59,346 | 73,253 |
| Fees by Agreement | 660,796 | 379,232 | 403,583 |
| Fines and Forfeitures | 74,361 | 120,507 | 147,158 |
| Interest Income | 14,298 | 6,034 | (2,121) |
| Miscellaneous | 29,815 | 39,355 | 51,790 |
| Total Revenues | 4,820,820 | 4,503,811 | 4,692,381 |
| Expenditures | | | |
| General Government | 609,448 | 604,675 | 620,088 |
| Public Safety | 1,869,168 | 1,960,561 | 2,037,855 |
| Public Works | 570,036 | 515,661 | 700,175 |
| Building and Public Grounds | 793,050 | 550,995 | 549,108 |
| Culture and Recreation | 288,737 | 356,397 | 556,380 |
| Solid Waste | 286,300 | - | - |
| Capital Outlay | 100,739 | 63,830 | 85,922 |
| Debt Service | | | |
| Principal Retirement | 274,553 | 275,239 | 276,782 |
| Interest and Fiscal Charges | 51,732 | 43,988 | 37,792 |
| Total Expenditures | 4,843,763 | 4,371,346 | 4,864,102 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (22,943) | 132,465 | (171,721) |
| Other Financing Sources (Uses) | | | |
| Transfer In | 138,220 | 118,220 | 133,220 |
| Transfer Out | (134,110) | (114,110) | (94,110) |
| Debt Issuance | - | - | - |
| Disposal of Capital Assets | 113,971 | 1,406 | 7,966 |
| | 118,081 | 5,516 | 47,076 |
| Net Change in Fund Balances | 95,138 | 137,981 | (124,645) |
| Debt Service as a Percentage of Noncapital Expenditures | 6.80% | 7.62% | 6.63% |

Data Source: Audited Financial Statements

* Modified Accrual Basis of Accounting

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2,185,689 | 2,192,094 | 2,110,579 | 2,169,024 | 2,289,487 | 2,222,034 | 2,336,359 |
| 1,287,008 | 1,265,212 | 1,363,631 | 1,368,852 | 1,439,922 | 1,583,095 | 2,022,199 |
| 500,102 | 503,771 | 426,234 | 409,710 | 411,870 | 407,059 | 467,987 |
| 144,435 | 163,568 | 219,006 | 164,345 | 212,517 | 199,368 | 186,173 |
| - | - | - | - | - | - | - |
| 184,911 | 106,261 | 85,555 | 140,327 | 199,701 | 187,415 | 63,530 |
| 3,361 | 5,543 | 20,730 | 43,014 | 47,291 | 34,575 | 12,385 |
| 420,622 | 524,000 | 460,950 | 496,227 | 545,541 | 476,728 | 508,302 |
| 4,726,128 | 4,760,449 | 4,686,685 | 4,791,499 | 5,146,329 | 5,110,274 | 5,596,935 |
| 567,323 | 870,967 | 661,854 | 705,120 | 633,516 | 611,927 | 633,434 |
| 2,101,895 | 2,233,001 | 2,172,075 | 2,201,816 | 2,283,579 | 2,460,261 | 2,378,302 |
| 607,660 | 581,525 | 544,366 | 585,635 | 652,736 | 654,260 | 622,123 |
| 448,021 | 688,816 | 541,512 | 411,155 | 544,111 | 549,323 | 505,500 |
| 471,341 | 546,696 | 513,331 | 471,644 | 460,306 | 460,800 | 189,588 |
| - | - | - | - | - | - | - |
| 430,624 | 399,932 | 190,500 | 172,985 | 627,431 | 96,952 | 135,909 |
| 332,910 | 33,921 | 30,000 | 30,000 | 30,000 | 35,000 | 35,000 |
| 31,320 | 17,449 | 16,175 | 14,966 | 13,742 | 12,506 | 11,050 |
| 4,991,094 | 5,372,307 | 4,669,813 | 4,593,321 | 5,245,421 | 4,881,029 | 4,510,906 |
| (264,966) | (611,858) | 16,872 | 198,178 | (99,092) | 229,245 | 1,086,029 |
| 168,349 | 246,588 | 56,175 | 36,331 | 178,742 | 47,506 | 51,310 |
| (133,349) | (216,588) | (56,175) | (36,331) | (3,742) | (110,721) | (63,060) |
| - | - | - | - | - | - | - |
| - | 5,218 | - | - | 40,000 | - | - |
| 35,000 | 35,218 | - | - | 215,000 | (63,215) | (11,750) |
| (229,966) | (576,640) | 16,872 | 198,178 | 115,908 | 166,030 | 1,074,279 |
| 7.47% | 1.02% | 1.04% | 1.00% | 0.84% | 0.98% | 1.04% |

VILLAGE OF PALOS PARK, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2021 (Unaudited)**

| Tax Levy Year | Residential Property | Commercial Property | Industrial Property | Farm Valuation |
|---------------------|-------------------------|------------------------|------------------------|-------------------|
| 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 |
| 2019 | 204,167,374 | 35,481,405 | 898,204 | 163,892 |
| 2020 | 219,474,140 | 43,257,263 | 972,851 | 179,261 |

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 |
|--------------------|------------------------------|-----------------------|--------------------------------|---------------------------------------------------------------|
| \$ 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% |
| 136,342 | 240,847,217 | 0.6130 | 722,541,651 | 33.33% |
| 141,563 | 264,025,078 | 0.5760 | 792,075,234 | 33.33% |

VILLAGE OF PALOS PARK, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2021 (Unaudited)**

| | 2011 | 2012 | 2013 |
|-------------------------------------------|----------------|---------------|---------------|
| Village Direct Rates | | | |
| General | \$ 0.4020 | 0.4410 | 0.4710 |
| Illinois Municipal Retirement | 0.0430 | 0.0500 | 0.0570 |
| Police Protection | 0.0540 | 0.0640 | 0.0720 |
| Total Direct Rates | 0.4990 | 0.5550 | 0.6000 |
| Overlapping Rates | | | |
| School Districts | 9.0050 | 5.5270 | 6.0050 |
| Library | 0.1610 | 0.1800 | 0.1950 |
| County | 0.5570 | 0.6080 | 0.6760 |
| Fire Protection District | 1.4370 | 1.0470 | 1.0470 |
| Township | 0.8990 | 0.1080 | 0.1180 |
| South Palos Sanitary District * | 0.3310 | 0.3920 | 0.3610 |
| MWRD | 0.3200 | 0.3700 | 0.4170 |
| Total Overlapping Rates | 12.7100 | 8.2320 | 8.8190 |
| Total Direct and Overlapping Rates | 13.2090 | 8.7870 | 9.4190 |

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

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------|---------|---------|---------|---------|---------|---------|
| 0.4904 | 0.5027 | 0.4767 | 0.4039 | 0.4266 | 0.4322 | 0.4064 |
| 0.0640 | 0.0708 | 0.0732 | 0.0679 | 0.0728 | 0.0796 | 0.0747 |
| 0.0812 | 0.0900 | 0.0931 | 0.0862 | 0.0926 | 0.1012 | 0.0949 |
| 0.6356 | 0.6635 | 0.6430 | 0.5580 | 0.5920 | 0.6130 | 0.5760 |
| 6.3060 | 6.5100 | 11.1930 | 9.7710 | 10.2520 | 10.5270 | 9.7800 |
| 0.2070 | 0.2160 | 0.2100 | 0.1820 | 0.2250 | 0.5300 | 0.4810 |
| 0.6540 | 0.6720 | 1.4660 | 0.6050 | 0.5660 | 0.5610 | 0.5280 |
| 1.2010 | 1.2550 | 2.1330 | 1.8550 | 1.9830 | 2.0430 | 1.9150 |
| 0.1250 | 0.1330 | 0.9320 | 0.8010 | 0.8500 | 0.3690 | 0.3330 |
| 0.4060 | 0.4210 | 0.4090 | 0.3450 | 0.3660 | 0.3770 | 0.3470 |
| 0.4300 | 0.4260 | 0.4060 | 0.4020 | 0.3960 | 0.3890 | 0.3780 |
| 9.3290 | 9.6330 | 16.7490 | 13.9610 | 14.6380 | 14.7960 | 13.7620 |
| 9.9646 | 10.2965 | 17.3920 | 14.5190 | 15.2300 | 15.4090 | 14.3380 |

VILLAGE OF PALOS PARK, ILLINOIS

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago
April 30, 2021 (Unaudited)**

| Taxpayer | 2020 | | | 2013 | | |
|-------------------------------|------------------------|------|----------------------------------------------------|------------------------|------|----------------------------------------------------|
| | 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) | \$ 8,025,660 | 1 | 3.04% | \$ 6,943,857 | 1 | 3.10% |
| Sunrise Senior Living | 7,276,142 | 2 | 2.76% | 5,826,549 | 2 | 2.60% |
| Cog Hill Golf Properties | 6,356,422 | 3 | 2.41% | | | |
| RDK Ventures | 3,123,127 | 4 | 1.18% | 1,979,006 | 4 | 0.88% |
| James Marth | 2,792,022 | 5 | 1.06% | 2,302,469 | 3 | 1.03% |
| Glen Eagles Country Club | 2,406,383 | 6 | 0.91% | | | |
| Inter Cont'l 131st Palos Park | 1,593,027 | 7 | 0.60% | 1,226,892 | 5 | 0.55% |
| Walgreen Co. Tax Dept. | 1,455,172 | 8 | 0.55% | 1,203,226 | 6 | 0.54% |
| Hackney's on the Lake, Inc. | 1,115,573 | 9 | 0.42% | | | |
| Frank Jamsek | 977,293 | 10 | 0.37% | | | |
| Alfredo Veltri | | | | 791,171 | 7 | 0.35% |
| Individual | | | | 785,088 | 8 | 0.35% |
| Individual | | | | 707,311 | 9 | 0.32% |
| Individual | | | | 699,257 | 10 | 0.31% |
| Total | 35,120,821 | | 13.30% | 22,464,826 | | 10.03% |

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.

VILLAGE OF PALOS PARK, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2021 (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 |
| 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% | 686,464 | 1,398,922 | 96.63% |
| 2020 | 1,475,426 | 740,056 | 50.16% | 693,311 | 1,433,367 | 97.15% |
| 2021 | 1,519,196 | 705,988 | 46.47% | - | 705,988 | 46.47% |

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, 2021 (Unaudited)**

| Fiscal Year | Governmental Activities | | General Obligation Bonds |
|----------------|----------------------------|---------------------------------|--------------------------------|
| | Debt Certificates | Installment Notes Payable | |
| 2012 | \$ 1,008,300 | \$ 275,590 | \$ 2,175,000 |
| 2013 | 734,274 | 23,272 | 2,055,000 |
| 2014 | 720,000 | 11,831 | 1,925,000 |
| 2015 | 395,000 | 3,921 | 1,790,000 |
| 2016 | 365,000 | - | 1,650,000 |
| 2017 | 335,000 | - | 1,505,000 |
| 2018 | 305,000 | - | 1,360,000 |
| 2019 | 275,000 | - | 1,210,000 |
| 2020 | 240,000 | - | 1,050,000 |
| 2021 | 205,000 | - | 1,000,000 |

Note: The Village's outstanding debt can be found in the Notes to the 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 Statistics for population data.

| Business-Type Activities | | | | | |
|---------------------------------|---------------------------|--------------------------------|-----------------------------------------------|-------------------|--|
| Installment Notes Payable | Public Benefit Debt | Total Primary Government | Percentage of Assessed Valuation (1) | Per Capita (2) | |
| \$ - | \$ 245,491 | \$ 3,704,381 | 1.65% | \$ 764.26 | |
| 23,272 | 207,781 | 3,043,599 | 1.44% | 627.93 | |
| 11,830 | 170,072 | 2,838,733 | 1.40% | 585.67 | |
| 3,920 | 132,362 | 2,325,203 | 1.18% | 479.72 | |
| - | 94,652 | 2,109,652 | 1.02% | 435.25 | |
| - | 56,942 | 1,896,942 | 0.75% | 391.36 | |
| - | 19,232 | 1,684,232 | 0.69% | 347.48 | |
| - | - | 1,485,000 | 0.61% | 306.38 | |
| - | - | 1,290,000 | 0.54% | 266.14 | |
| - | - | 1,205,000 | 0.46% | 245.97 | |

VILLAGE OF PALOS PARK, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2021 (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 | | | | |
| 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 |
| 2020 | 240,000 | 1,050,000 | - | 1,290,000 | 0.54% | 266.14 |
| 2021 | 205,000 | 1,000,000 | - | 1,205,000 | 0.46% | 245.97 |

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 population data.

VILLAGE OF PALOS PARK, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2021 (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 | \$ 205,000 | 100.00% | \$ 205,000 |
| Overlapping Debt | | | |
| Cook County | 2,596,351,750 | 0.152% | 3,951,137 |
| Cook County Forest Preserve District | 130,570,000 | 0.152% | 198,702 |
| Metropolitan Water Reclamation District | 2,694,934,289 (3) | 0.155% | 4,171,898 |
| Lemont Public Library | 1,960,000 | 100.000% | 1,960,000 |
| Lemont Park District | 6,722,000 | 1.140% | 76,606 |
| South Palos Twp. Sanitary District | 235,000 | 6.111% | 14,362 |
| Schools | | | |
| School District 113A | 1,810,422 (4) | 1.140% | 20,633 |
| Comm. Consolidated School Dist. 118 | 6,310,000 | 28.545% | 1,801,200 |
| High School District 210 | 32,285,000 | 1.140% | 367,931 |
| High School Dist. 230 | 26,035,000 | 4.685% | 1,219,799 |
| Community College 524 | 42,140,000 (2) | 2.256% | 950,885 |
| Community College 525 | 55,305,000 (2) | 0.050% | 27,815 |
| Total Overlapping Debt | <u>5,594,658,461</u> | | <u>14,760,966</u> |
| Total Direct and Overlapping Debt | <u>5,594,863,461</u> | | <u>14,965,966</u> |

Data Source: Office of the Cook County Clerk, Office of the Comptroller of the State of Illinois and Treasurer of the Metropolitan Water Reclamation District.

(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.

(2) Excludes principal amounts from outstanding General Obligation Alternate Revenue Source Bonds, notes, and debt certificates.

(3) Includes IEPA Revolving Loan Fund Bonds.

(4) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

VILLAGE OF PALOS PARK, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

| | 2012 | 2013 | 2014 | 2015 |
|-------------------------------------------------------------------------|---------------|------------|------------|------------|
| Legal Debt Limit | \$ 26,014,985 | 19,326,057 | 18,210,667 | 17,511,235 |
| Total Net Debt Applicable to Limit | 2,175,000 | 2,055,000 | 1,925,000 | 1,790,000 |
| Legal Debt Margin | 23,839,985 | 17,271,057 | 16,285,667 | 15,721,235 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 8.36% | 10.63% | 10.57% | 10.22% |

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.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------|------------|------------|------------|------------|------------|
| 16,993,726 | 17,752,498 | 21,851,383 | 21,124,049 | 20,533,072 | 22,567,163 |
| 365,000 | 335,000 | 305,000 | 275,000 | 240,000 | 205,000 |
| 16,628,726 | 17,417,498 | 21,546,383 | 20,849,049 | 20,293,072 | 22,362,163 |
| 2.15% | 1.89% | 1.40% | 1.30% | 1.17% | 0.91% |

Legal Debt Margin Calculation for Fiscal Year 2021

| | |
|-------------------------------------------------|-----------------------|
| Assessed Value | <u>\$ 264,025,078</u> |
| Bonded Debt Limit - 8.625% of Assessed Value | 22,772,163 |
| Amount of Debt Applicable to Limit | <u>205,000</u> |
| Legal Debt Margin | <u>22,567,163</u> |

VILLAGE OF PALOS PARK, ILLINOIS

**Pledged Revenue Coverage - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

| Fiscal Year | Water Charges and Other | Less Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|-------------------------|-------------------------|-----------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 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 |
| 2020 | 1,979,075 | 1,711,639 | 267,436 | 160,000 | 47,841 | 1.29 |
| 2021 | 2,104,464 | 1,876,503 | 227,961 | 85,000 | 53,726 | 1.64 |

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, 2021 (Unaudited)

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|-------------|------------|-----------------|----------------------------|-------------------|
| 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% |
| 2020 | 4,847 | 480,996,892 | 84,609 | 3.60% |
| 2021 | 4,899 | 260,190,789 | 53,111 | 4.90% |

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, 2021 (Unaudited)**

| Employer | 2021 | | 2013 | |
|--------------------------------|------|----------------------------------------|------|----------------------------------------|
| | Rank | Percentage of Total Village Employment | Rank | Percentage of Total Village Employment |
| Cog Hill Golf Course | 1 | 13.07% | | |
| Jewel Osco | 2 | 9.81% | 2 | 4.27% |
| Holly Family Villa | 3 | 3.70% | 1 | 4.52% |
| Village of Palos Park | 4 | 3.11% | 4 | 1.30% |
| Sunrise Assisted Living | 5 | 2.30% | 3 | 2.13% |
| Palos Fire Protection District | 6 | 2.04% | | |
| Children's Farm At The Center | 7 | 1.85% | | |
| Re/Max 10 | 8 | 1.37% | | |
| Walgreens | 9 | 0.93% | 6 | 1.07% |
| Chic Salon | 10 | 0.74% | | |
| Francesca's | | | 5 | 1.07% |
| Hackney's | | | 7 | 0.58% |
| McDivott's | | | 8 | 0.32% |
| | | <u>38.92%</u> | | <u>15.26%</u> |

Note: Reference USA / Data Axle U.S. Business Database, phone verification, as of September 24, 2021. Telephone canvass of employers performed in 2013. Top 8 employers were all that could be obtained.

VILLAGE OF PALOS PARK, ILLINOIS

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

| Function/Program | 2012 | 2013 | 2014 |
|---------------------|--------------|--------------|--------------|
| General Government | | | |
| Administration | 4.30 | 4.30 | 4.30 |
| Building and Zoning | 3.50 | 3.50 | 3.50 |
| Finance | 2.00 | 1.50 | 1.50 |
| Police | | | |
| Officers FT | 9.00 | 9.00 | 9.00 |
| Officers PT | 23.00 | 24.00 | 24.00 |
| 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 | 3.50 | 4.50 | 4.50 |
| Recreation | 2.50 | 3.00 | 3.00 |
| Totals | <u>55.80</u> | <u>57.80</u> | <u>57.80</u> |

Data Source: Village Finance Department Payroll

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------|-------|-------|-------|-------|-------|-------|
| 4.30 | 4.30 | 4.30 | 4.30 | 4.00 | 4.50 | 4.00 |
| 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.13 |
| 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.46 |
| 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 12.00 | 12.00 |
| 20.00 | 23.00 | 23.00 | 23.00 | 23.00 | 20.00 | 4.68 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.52 |
| 4.60 | 4.60 | 4.60 | 4.60 | 4.60 | 4.60 | 4.53 |
| 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.91 | 1.68 |
| 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.39 |
| 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 |
| 53.80 | 56.80 | 56.80 | 56.80 | 56.50 | 58.51 | 42.39 |

VILLAGE OF PALOS PARK, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

| Function/Program | 2012 | 2013 | 2014 |
|-------------------------------|---------|---------|---------|
| Public Safety | | | |
| Police (1) | | | |
| Physical Arrests | 186 | 183 | 202 |
| Parking Violations | 987 | 982 | 997 |
| Traffic Violations | 885 | 953 | 956 |
| Public Works | | | |
| Street Resurfacing (Miles) | 0.66 | 0.80 | 0.90 |
| Pothole Repairs | 50-75 | 80-140 | 722 |
| Water | | | |
| New Connections | 4 | 2 | 8 |
| Water Main Breaks | 7 | 4 | 44 |
| Average Daily Consumption (2) | 474,000 | 501,000 | 437,000 |
| Peak Demand | 969,000 | 823,000 | 702,000 |

Data Source: Appropriate Village Department

(1) Police data is available only on the calendar year; for instance, FY 21 covers January 2020- December 2020.

(2) Average Gallons per Day

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

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------|---------|---------|---------|---------|---------|---------|
| 211 | 240 | 136 | 223 | 257 | 111 | 51 |
| 1,198 | 1,048 | 728 | 1,359 | 1,260 | 1,002 | 700 |
| 1,925 | 864 | 470 | 687 | 517 | 450 | 202 |
| 1.19 | 1.30 | 0.10 | 0.50 | 20.13 | - | - |
| 1,524 | 2,769 | 150-175 | 4,165 | 6,497 | 600 | 655 |
| 4 | 5 | 4 | 10 | 5 | 6 | 9 |
| 12 | 15 | 8 | 11 | 7 | 4 | 12 |
| 407,813 | 402,186 | 408,000 | 425,000 | 429,132 | 425,191 | 469,000 |
| 708,000 | 750,000 | 684,000 | 725,000 | 810,000 | 765,000 | 979,000 |

VILLAGE OF PALOS PARK, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

| Function/Program | 2012 | 2013 | 2014 |
|-----------------------------|-----------|-----------|-----------|
| 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 | 731 | 731 |
| 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.

| 2015 | 2016 | 2017 | 2018 | 2020 | 2021 |
|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 1 8 | 1 8 | 1 8 | 1 8 | 1 8 | 1 8 |
| 14.70 | 14.70 | 14.70 | 14.70 | 14.70 | 14.70 |
| 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 | 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 |