

VILLAGE OF PALOS PARK, ILLINOIS

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ANNUAL COMPREHENSIVE FINANCIAL  
REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2022

**VILLAGE OF PALOS PARK, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2022**

Prepared by:  
Finance Department

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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, 2022**

**JOHN F. MAHONEY**

*Mayor*

**MARIE ARRIGONI**

*Village Clerk*

## **BOARD OF COMMISSIONERS**

- Vacant** - *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*

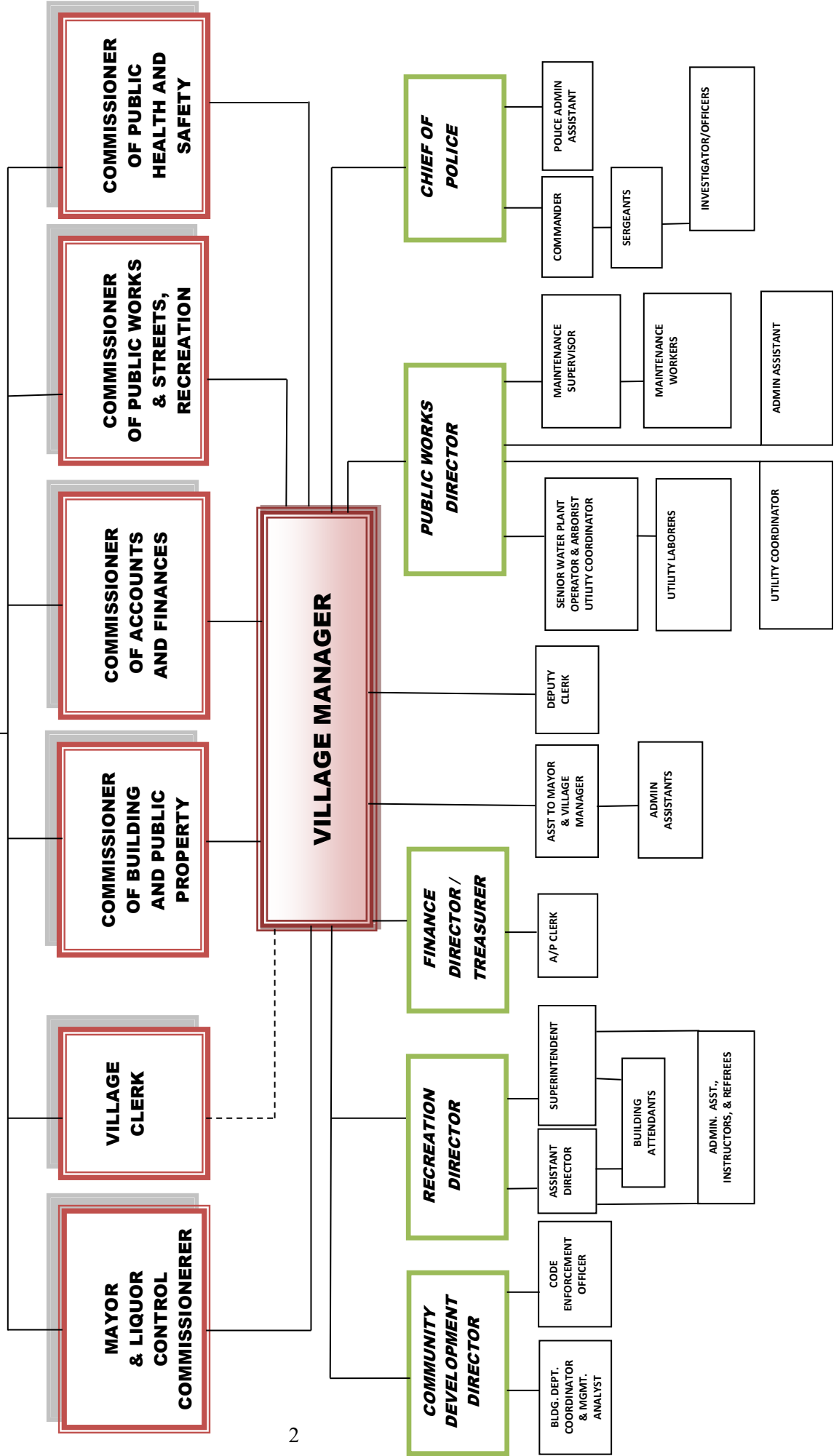
## **DEPARTMENT DIRECTORS**

- Allen L. Altic, CPA** - *Finance Director / Treasurer*  
**Joseph Miller** - *Chief of Police*  
**Michael Sibrava** - *Public Works Director*  
**Mark Herman** - *Community Development Director*

# VILLAGE OF PALOS PARK

# ORGANIZATIONAL CHART

**VILLAGE RESIDENTS**





October 14, 2022

VILLAGE OF  
**PALOS PARK**

JOHN F. MAHONEY  
Mayor

G. DARRYL REED  
Accounts & Finances

NICOLE MILOVICH-WALTERS  
Public Works & Streets, Recreation

DAN POLK  
Public Health & Safety

MIKE WADE  
Building & Public Property

MARIE ARRIGONI  
Village Clerk

RICHARD B. BOEHM  
Village Manager

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

The Annual Comprehensive Financial Report of the Village of Palos Park, Illinois (the Village) for the year ended April 30, 2022 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 Annual Comprehensive 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, 2022, 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, 2022, in accordance with GAAP. Their Independent Auditor's Report is included in the financial section of this Annual Comprehensive 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 Annual Comprehensive 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 9.60 million people according to a 2021 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 a break 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 2020 census, is 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. Despite being a small town, it offers many amenities common to much larger communities. Outstanding schools, retail and restaurant opportunities, numerous recreation opportunities are available to residents and visitors. The Village also has quick access to O’Hare International Airport, one of the busiest airports in the world, as well as Midway International Airport.

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 Annual Comprehensive 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**

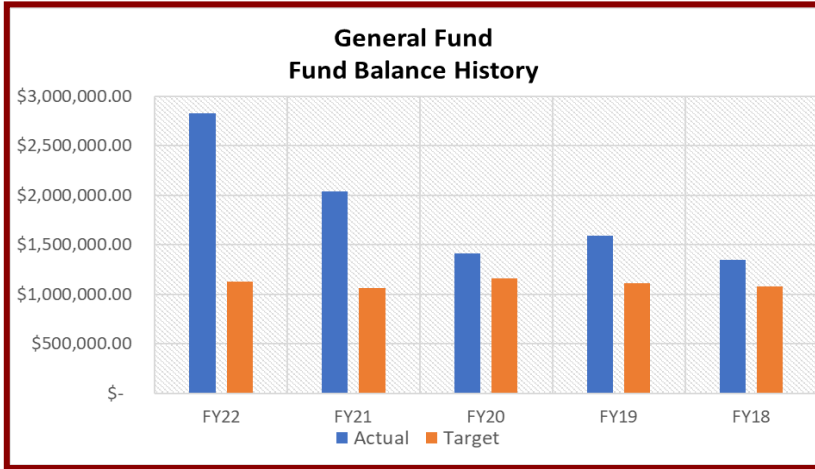
The Mayor, Commissioners, and the Village staff are intent on maintaining the Village's strong financial condition, while continuing to provide the highest level of public services to its residents, business owners and visitors. The Village's financial position, as reflected in the financial statements 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. As previously stated, the Village is within 30 miles of two major international airports. 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 131<sup>st</sup> 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. A major restaurant and commercial business is located at the intersection of 123<sup>rd</sup> Street and LaGrange Road.

Finally, establishments are located along 123<sup>rd</sup> Street, primarily between 80<sup>th</sup> Avenue and 86<sup>th</sup> 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. These neighboring employers are fixtures in the greater Palos community and provide a positive impact on the community and economy of the Village.



Palos Park residents and business owners have always been proud to call Palos Park home. The strength that our community exhibits has a big impact on the overall financial health of the Village. The chart to the left depicts the five-year historical fund balance of the General Fund. General revenues (excluding Other

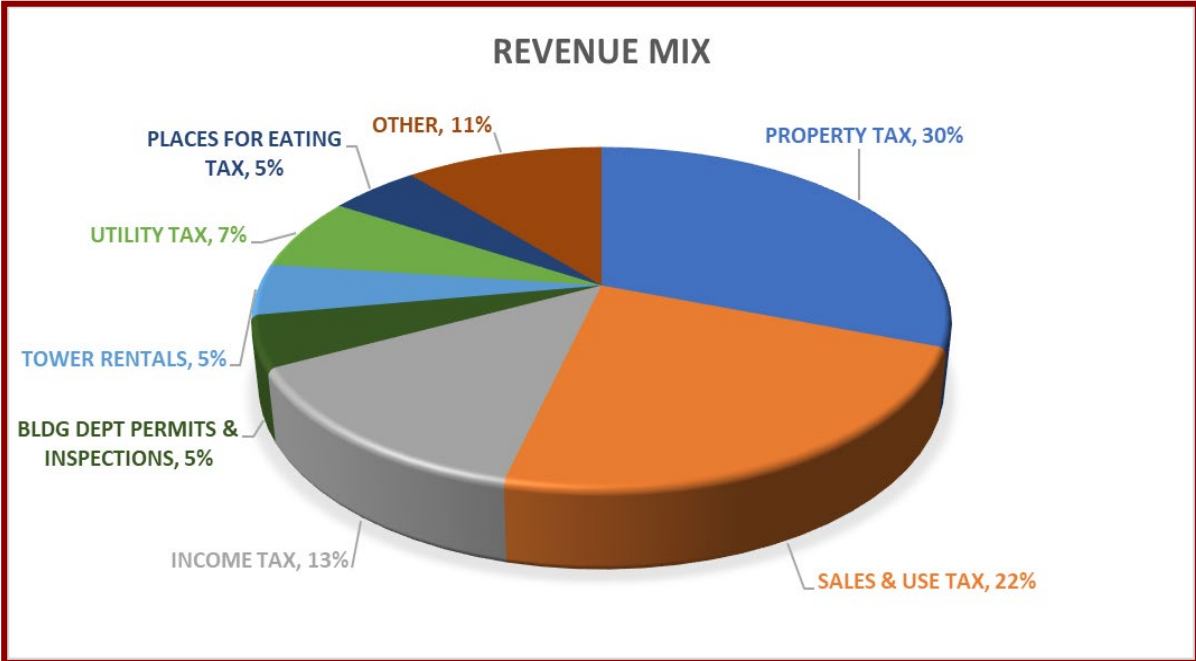
Financing Sources) continue to grow to a total of approximately \$5.34 million in Fiscal Year 2022. This is an increase of \$446,353, or 9% from Fiscal Year 2021. Significant growth on state-wide income tax collections (26% growth) during the year, coupled with 39% growth in sales tax collections stemming from the 2018 Wayfair decision are two main reasons fund balances in the General Fund grew in Fiscal Year 2022.

Property values are an important point of interest for residents of the Village. The Village has seen tremendous growth in residential property values over the last five years. Since tax levy year 2016 (collected over Fiscal Year 2017 & 2018), Village property values (EAV) have increased 28%. New



residential home construction has also picked up over the last few years with 40% of new construction permits over the last decade (since 2012) occurring since 2019. The average new residential home construction value has averaged \$647,787.

The Village's strong and diverse revenue mix provides operating flexibility to weather 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 30% 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 2023. The Village's approved budget anticipated spending nearly \$2.22 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 nearly \$1.3 million. The Village anticipates spending approximately \$1 million in each of its next two upcoming fiscal 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 2022 and is expected to meet this objective again in Fiscal Year 2023.

**AWARDS AND ACKNOWLEDGEMENTS**

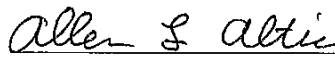
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palos Park for its annual comprehensive financial report for the fiscal year ended April 30, 2021. This was the 23rd consecutive year that the Village has received this prestigious award. In order to be awarded, the Village published an easily readable and efficiently organized Annual Comprehensive Financial Report, like the one you are currently reading.

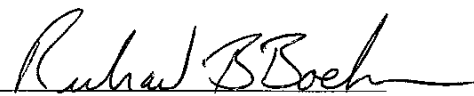
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Annual Comprehensive 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

April 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITOR'S REPORT**

October 14, 2022

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

### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2022, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension and other post-employment benefit (OPEB) reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### **Supplementary 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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

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

**VILLAGE OF PALOS PARK, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
APRIL 30, 2022**

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, 2022. 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.

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**FINANCIAL HIGHLIGHTS**

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- **Net position and performance in total** – The Village’s total net position at fiscal year-end was \$19,810,514 an increase of \$519,281 during the year. Total unrestricted net position increased \$1,232,941 to \$1,781,863.
- **Governmental activity summary** – Net position for governmental activities increased by \$1,017,717 during the year to \$3,021,335. Unrestricted net position increased \$967,060 to (\$1,817,946).
- **Business-type activity summary** – Net position for business-type activities decreased by \$498,436 during the year to \$16,789,179. Unrestricted net position increased \$265,881.
- **General Fund summary** – The Village’s General Fund reported an increase of \$784,828 in fund balance for the year to \$2,827,162. Stronger than anticipated tax revenues across many of the Village’s taxing sources contributed to the increase. Most notable increases were seen with Property Taxes, Sales Taxes and Income Taxes.
- **Budget vs. Actual** – The Village’s actual revenues for the General Fund were more than budgeted revenues by \$652,924, while the actual expenditures were less than budgeted by \$134,081.
- **Overall Financial Position** – As a whole, the Village’s overall financial position improved during the fiscal year.

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

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The Village’s financial statements present two kinds of statements, each with a different 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 \$19,810,514. The following table reflects the condensed Statement of Net Position as of April 30, 2022 with comparative data at April 30, 2021. For more detailed information see the Statement of Net Position.

**STATEMENT OF NET POSITION  
FOR FISCAL YEARS 2022 AND 2021**

	<b>Governmental Activities 2022</b>	<i>Governmental Activities 2021</i>	<b>Business- Type Activities 2022</b>	<i>Business- Type Activities 2021</i>	<b>Total Primary Government 2022</b>	<i>Total Primary Government 2021</i>
<b>Assets:</b>						
<i>Current and Other Assets</i>	\$ 10,260,475	\$ 5,249,139	\$ 4,146,238	\$ 3,913,427	\$ 14,406,713	\$ 9,162,566
<i>Capital Assets</i>	4,148,911	4,187,149	14,084,370	14,953,687	18,233,281	19,140,836
<b>Total Assets</b>	<b>\$ 14,409,386</b>	<b>\$ 8,444,206</b>	<b>\$ 18,230,608</b>	<b>\$ 19,432,803</b>	<b>\$ 32,639,994</b>	<b>\$ 28,303,402</b>
<i>Deferred Outflows of Resources</i>	\$ 2,214,896	\$ 2,398,053	\$ 59,551	\$ 54,234	\$ 2,274,447	\$ 2,452,287
<b>Liabilities:</b>						
<i>Current Liabilities</i>	\$ 1,121,436	\$ 738,515	\$ 236,483	\$ 382,950	\$ 1,357,919	\$ 1,121,465
<i>Noncurrent Liabilities</i>	7,692,333	6,621,570	860,020	993,620	8,552,353	7,615,190
<b>Total Liabilities</b>	<b>\$ 8,813,769</b>	<b>\$ 7,274,752</b>	<b>\$ 1,096,503</b>	<b>\$ 1,537,342</b>	<b>\$ 9,910,272</b>	<b>\$ 8,736,655</b>
<i>Deferred Inflows of Resources</i>	\$ 4,789,178	\$ 2,470,638	\$ 404,477	\$ 257,163	\$ 5,193,655	\$ 2,727,801
<b>Net Position:</b>						
<i>Net Investment in Capital Assets</i>	\$ 3,845,104	\$ 3,982,149	\$ 13,189,370	\$ 13,953,687	\$ 17,034,474	\$ 17,935,836
<i>Restricted</i>	994,177	806,475	-	-	994,177	806,475
<i>Unrestricted</i>	(1,817,946)	(2,785,006)	3,599,809	3,333,928	1,781,863	548,922
<b>TOTAL NET POSITION</b>	<b><u>\$ 3,021,335</u></b>	<b><u>\$ 2,003,618</u></b>	<b><u>\$ 16,789,179</u></b>	<b><u>\$ 17,287,615</u></b>	<b><u>\$ 19,810,514</u></b>	<b><u>\$ 19,291,233</u></b>

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

As previously stated, overall total net position was \$19,810,514 at April 30, 2022, an increase of \$519,281 or 3%. 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 \$17,034,474 at April 30, 2022, a decrease of \$901,362 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 \$1,781,863, or \$6,883,762 with the exclusion of \$5,101,899 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 \$901,312 or 15% over the prior year. The remaining \$994,177, or 5%, of total net position, represents resources that are subject to restriction as to their use. Total restricted net position increased \$187,702 or 23% primarily related to increase in resources during the year restricted for Highways and Streets. The Village implemented a local 3¢ gas tax part way into the prior fiscal year and received state grant funds in the form of Rebuild Illinois Funds during the fiscal year.

The net position of business type activities was \$16,789,179 at April 30, 2022, a decrease of \$498,436 or 3%. This decrease maybe misleading. Excluding the effects of depreciation expense, which is subject to numerous estimates, net position increased \$457,183. This fact plays out in the increase in unrestricted net position during the year of \$265,881 or 8% to \$3,599,809. 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 \$1,865,800 at April 30, 2022. The unrestricted net position of the Sewer Maintenance Fund was \$1,577,387 at April 30, 2022. Strong residential water consumption coupled with decreases in OPEB liability and IMRF Pension liability contributed to the increase in net positions.

### ***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 2022 AND 2021

	<b>Governmental Activities 2022</b>	<b>Governmental Activities 2021</b>	<b>Business- Type Activities 2022</b>	<b>Business- Type Activities 2021</b>	<b>Total Primary Government 2022</b>	<b>Total Primary Government 2021</b>
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 639,396	\$ 717,690	\$ 2,965,213	\$ 2,946,342	\$ 3,604,609	\$ 3,664,032
Operating Grants	519,073	517,594	-	-	519,073	517,594
<b>General Revenues:</b>						
Property Taxes	1,586,067	1,422,163	-	-	1,586,067	1,422,163
Sales Taxes	1,509,871	1,137,014	-	-	1,509,871	1,137,014
Utility Taxes	434,069	391,033	-	-	434,069	391,033
Income Taxes	700,890	555,647	-	-	700,890	555,647
Other	294,424	322,855	-	-	294,424	322,855
Investment Income	5,660	12,385	1,392	2,248	7,052	14,633
Gain on Sale of Capital Assets	-	-	-	-	-	-
Other	520,676	520,554	86,848	38,217	607,524	558,771
<b>Total Revenues</b>	<b>6,210,126</b>	<b>5,596,935</b>	<b>3,053,453</b>	<b>2,986,807</b>	<b>9,263,579</b>	<b>8,583,742</b>
<b>EXPENSES</b>						
General Government	265,203	534,585	-	-	265,203	534,585
Public Safety	2,577,763	2,770,316	-	-	2,577,763	2,770,316
Public Works	1,001,442	656,183	-	-	1,001,442	656,183
Building and Public Grounds	537,635	505,500	-	-	537,635	505,500
Culture and Recreation	723,901	204,633	-	-	723,901	204,633
Water	-	-	2,349,430	2,438,489	2,349,430	2,438,489
Sewer	-	-	785,454	746,324	785,454	746,324
Solid Waste	-	-	392,613	328,245	392,613	328,245
Commuter Lot	-	-	24,392	46,272	24,392	46,272
Interest	86,465	10,438	-	-	86,465	10,438
<b>Total Expenses</b>	<b>5,192,409</b>	<b>4,681,655</b>	<b>3,551,889</b>	<b>3,559,330</b>	<b>8,744,298</b>	<b>8,240,985</b>
<b>Change in Net Position Before Transfers</b>	<b>1,017,717</b>	<b>915,280</b>	<b>(498,436)</b>	<b>(572,523)</b>	<b>519,281</b>	<b>342,757</b>
<b>Transfers</b>	<b>-</b>	<b>(11,750)</b>	<b>-</b>	<b>11,750</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,017,717</b>	<b>903,530</b>	<b>(498,436)</b>	<b>(560,773)</b>	<b>519,281</b>	<b>342,757</b>
<b>Beginning Net Position</b>	<b>2,003,618</b>	<b>1,100,088</b>	<b>17,287,615</b>	<b>17,848,388</b>	<b>19,291,233</b>	<b>18,948,476</b>
<b>Ending Net Position</b>	<b><u>\$ 3,021,335</u></b>	<b><u>\$ 2,003,618</u></b>	<b><u>\$ 16,789,179</u></b>	<b><u>\$ 17,287,615</u></b>	<b><u>\$ 19,810,514</u></b>	<b><u>\$ 19,291,233</u></b>

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

### ***Governmental Activities***

Total revenues for governmental activities for Fiscal Year 2022 totaled \$6,210,126, an increase of \$624,941 or 11% from the prior year. Property Tax Revenues increased \$163,904 or 12% to \$1,586,067. This increase is attributed to an increase in the tax levy by 2.90% coupled with the 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, resulting in more payments pushed into Fiscal Year 2022. State Sales Tax increased \$250,713 or 27% over the prior year to \$1,187,419. State Income Tax increased \$145,243 or 26% over the prior year to \$700,890. Further explanation for both States Sales Tax and State Income Tax can be found at below in the Financial Analysis of the Village's Funds section. Federal ARPA funds of \$322,248 have been deferred from revenue recognition until the Village identifies an allowable and appropriate project.

Expenses for governmental activities (excluding transfers) totaled \$5,192,409 in Fiscal Year 2022, an increase of \$510,784 or 11%. General Government expenses decreased \$269,382, 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 110% as of its latest actuarial valuation as of December 31, 2021. Public Safety expenses fell \$192,553 or 7% from the prior year. Actuarially determined contributions to the Palos Park Police Pension Fund increased \$79,000 to \$414,000 in Fiscal Year 2022. The increase in pension contributions were offset by favorable results for the Police Pension Fund's Net Pension Liability actuarial valuation. Public Works expenses increased \$770,259 or 53% from the prior year. Significant commitment to improving roadways in the Village during Fiscal Year 2022 resulted in higher maintenance expenses. Culture and Recreation expense increased \$94,268 or 46% during Fiscal Year 2022. This increase is primarily attributed to significant wage increases to two employees, increased part-time staff to manage more recreation programs during the fiscal year, and the Village held several community festivals that could not be held the prior year due to health and safety concerns brought on by the initial wave(s) of COVID-19.

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

Revenue from business-type activities (excluding Transfers and Disposal of Capital Assets) totaled \$3,053,453 for Fiscal Year 2022, an increase of \$66,646 or 2% from the prior year. Charges for Services revenue decreased \$5,792, or less than 1% from the prior year. Increase in water rates combined with strong water consumption contributed to the relatively flat change in Charges for Services revenue. Fees charged to residents to tap-in (connect) to the Village's water system increased \$47,252 or 258% from the prior year to \$65,568. Miscellaneous Revenue increased \$19,883 from the prior year to \$27,110. Two major cost reimbursements for water projects occurred during Fiscal Year 2022 that did not occur in the prior year.

Expenses for business-type activities totaled \$3,551,889 for Fiscal Year 2022 a decrease of \$7,441 or less than 1%. Water services operational expenses decreased by \$89,059 or 4%, to \$2,349,430. Decrease in the volume of water purchased by approximately 12.6 million gallons, coupled with the decrease in OPEB and pension expense of \$60,972 contributed to the decrease. Sewer operational expenses decreased \$19,306 or 2%, to \$785,454. Decrease in OPEB and pension expense of \$19,903 contributed to the decrease. The Commuter Lot Fund operating expenses decreased \$21,880 or 47%, to \$46,272. Some maintenance costs such as salt for the parking lot have been shifted to other funds to relieve the burden of costs on this fund. The Refuse and Recycling Fund operating expenses increased \$64,368 or 20%, to \$392,613. Administrative costs occurred in Fiscal Year 2022 totaling \$76,637 were paid.

## ***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 (1.40% for the 2020 levy used to fund 2020) 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.

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## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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For the fiscal year ending April 30, 2022, the governmental funds reflect a combined fund balance of \$7,516,477, which is an increase of \$3,810,158 or 103% from the prior year. Stronger than anticipated revenue from the Village's ½% non-home rule sales tax, full year receipts from the Village's local 3¢ local municipal sales tax and Village's \$3,000,000 bond issuance contributed to the increase in governmental fund balance. The General Fund ending fund balance at April 30, 2022 was \$2,827,162 which is an increase of \$784,828 or 38%.

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 General Fund fund balance, previously stated of \$2,827,162, represents 63% of the Village's General Fund expenditures for FY22. This percentage is over the Village's policy of three months or a 25% reserve of the General Fund expenditure budget in fund balance. In just two years, the Village's General Fund fund balance has improved from \$1,417,716 in FY20 to \$2,827,162 in FY22. Fund balance reserves have increased from 30% of expenditures in FY20 to 63% of expenditures in FY22.

Total revenues for the General Fund for Fiscal Year 2022 totaled \$5,343,817, which is an increase of \$446,353, or 9% from the prior year. Many of the Village's taxing sources increased across the board during 2022. Income Tax revenue increased \$145,243 or 26% in Fiscal Year 2022. Strong State-wide corporate and individual profits and income improved dramatically in calendar year 2021, resulting in more revenue to be distributed by the State. Property Tax revenues increased \$163,904 or 12% from the prior year. As previously mentioned, increases in the 2020 tax levy by 2.90%, coupled with delays in property tax due dates authorized by Cook County in 2021 contributed to the increase in Property Tax revenue in Fiscal Year 2022. Grants revenue decreased \$168,109 or 91% from the prior year. The Village received Federal FEMA funds totaling \$16,225 in Fiscal Year 2022 to reimburse the Village for expenditures associated with the Village's respond to COVID-19. In Fiscal Year 2021, the Village received Federal CARES funding in the amount of \$180,866. Sales Tax revenue increased \$250,713 or 27% from the prior year. The increase can be attributed to a few factors. The recent Wafair legal decision and Illinois legislation requires online retailers to assess state and local tax rates to goods sold based on shipping address zip code. Societal attitudes have shifted since the initial wave of COVID-19. More people are willing to return to pre-COVID-19 social norms, including retail spending. Finally, a major restaurant opened in January 2022, providing a major boost each month to the Village's overall tax revenues.

Operating expenditures decreased significantly in Fiscal Year 2021 to \$4,514,409. This represents an increase of \$252,697 or 6% from the prior year total of \$4,261,712. General Government expenditures decreased \$96,050 or 15% from the prior year. Increase in administrative cost reimbursements, primarily from the Refuse Fund, to offset related General Fund administrative costs contributed to the decrease. Public Safety expenditures increased \$81,915 or 3% from the prior year. Actuarially determined contributions to the Palos Park Police Pension Fund increased \$79,000 to \$414,000 in Fiscal Year 2022. Public Works expenditures increased \$70,676 or 13% from the prior year. Wages increased \$22,560 in Fiscal Year 2022 primarily related to both increases in staff wages of 2.75% effective at the start of the fiscal year and increases in part-time labor during the fiscal year. Other Contractual Services increased \$39,631 during Fiscal Year 2022 primarily related to increased vehicle maintenance costs on Village fleet vehicles as well as increased tree trimming. Two snow-plow trucks required major maintenance during the fiscal year. Building and Public Grounds expenditures increased \$9,235 or 2% during the fiscal year. Culture and Recreation expenditures increased \$93,55 or 50% from the prior year. Wages and benefits increased \$34,319 during the fiscal year primarily related to the promotion of two employees within the Recreation Department. Festival costs also increased \$44,507 as the Village was able to hold such community events as Autumn in the Park and Hot Dog Day. Most community events were canceled in Fiscal Year 2021 due to the onset of COVID-19. Capital Outlay Expenditures increased \$93,366 or 425% from the prior year. See Changes in Net Capital Assets section within this MD&A for more discussion.

## GENERAL FUND BUDGETARY HIGHLIGHTS

<i>General Fund</i>	<i>FY22 Budget</i>	<i>FY22 Actual</i>	<i>FY21 Actual</i>	<i>FY20 Actual</i>	<i>FY19 Actual</i>	<i>FY18 Actual</i>
<i>Revenues:</i>						
<i>Taxes</i>	\$ 2,105,093	\$ 2,286,079	\$ 1,983,135	\$ 2,011,050	\$ 2,078,770	\$ 1,969,093
<i>Licenses &amp; Permits</i>	394,341	436,586	467,987	407,059	411,870	409,710
<i>Intergovernmental</i>	1,463,278	1,933,015	1,688,939	1,417,227	1,316,883	1,245,093
<i>Other</i>	728,181	688,137	757,403	745,671	875,152	759,385
<b>Total</b>	<b>4,690,893</b>	<b>5,343,817</b>	<b>4,897,464</b>	<b>4,581,007</b>	<b>4,682,675</b>	<b>4,383,281</b>
<i>Expenditures:</i>						
<i>Current</i>	(4,573,990)	(4,399,050)	(4,239,719)	(4,639,178)	(4,435,014)	(4,286,513)
<i>Capital Outlay</i>	(74,500)	(115,359)	(21,993)	(8,100)	(4,906)	(37,535)
<i>Debt Service</i>	-	-	-	-	-	-
<b>Total</b>	<b>(4,648,490)</b>	<b>(4,514,409)</b>	<b>(4,261,712)</b>	<b>(4,647,278)</b>	<b>(4,439,920)</b>	<b>(4,324,048)</b>
<i>Other Financing Sources (Uses)</i>						
<i>Transfers In</i>	-	-	5,260	-	-	-
<i>Transfers Out</i>	(44,580)	(44,580)	(15,394)	(110,721)	-	(26,657)
<i>Proceeds from Sale of Assets</i>	-	-	-	-	-	-
<b>Total</b>	<b>(44,580)</b>	<b>(44,580)</b>	<b>(10,134)</b>	<b>(110,721)</b>	<b>-</b>	<b>(26,657)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,177)</b>	<b>\$ 784,828</b>	<b>\$ 625,618</b>	<b>\$ (176,992)</b>	<b>\$ 242,755</b>	<b>\$ 32,576</b>

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## CAPITAL ASSETS AND DEBT ADMINISTRATION

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### *Capital Assets*

At the end of Fiscal Year 2022, the Village had total of capital assets in the amount of \$18,233,281. These assets are invested in a broad range of items including land, construction in progress, 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 two police squad vehicle by the General Fund and Police Asset Forfeiture Fund in the amount of \$102,645 as well as new hot water boilers purchased by the General Fund in the amount of \$34,101. Major Sewer Fund (Business-type activities) capital activity during the year includes the replacement of 52 feet of sanitary sewer main in the amount of \$10,230 as well as the purchase of portable televising sewer camera equipment in the amount of \$11,277. Major Water Fund (Business-type activities) capital activity during the year includes the replacement of 24 feet of water main in the amount of \$10,194 and various booster station upgrades totaling \$22,063.

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, 2021</i>	<i>Additions/ Deletion</i>	<i>Ending Balance April 30, 2022</i>
<b><i>Non-Depreciable Assets</i></b>			
<i>Land</i>	\$ 1,729,988	\$ -	\$ 1,729,988
<i>Construction in Progress</i>	-	19,808	19,808
<b><i>Depreciable Capital Assets</i></b>			
<i>Buildings and Improvements</i>	4,440,422	17,156	4,457,578
<i>Equipment and Vehicles</i>	1,495,960	75,738	1,571,698
<i>Land Improvements</i>	21,356		21,356
<i>Water Distribution System</i>	18,688,797	58,760	18,747,557
<i>Sewer Distribution System</i>	17,324,521	23,837	17,348,358
<i>Accumulated Depreciation on Capital Assets</i>	(24,560,208)	(1,102,854)	(25,663,062)
<b><i>TOTAL</i></b>	<b><u>\$ 19,140,836</u></b>	<b><u>\$ (907,555)</u></b>	<b><u>\$ 18,233,281</u></b>

### ***Debt Outstanding***

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

- In the fall of 2006, the Village issued a \$570,000 installment contract for the purchase of property for a park. As of April 30, 2022, the principal balance remaining was \$170,000.
- 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, 2022, the principal balance remaining was \$895,000.
- In Fiscal Year 2022, the Village issued \$3,000,000 in General Obligation (Alternate Revenue Source) bonds for the purpose of repairing, maintaining, and improving Village roads and roadway drainage systems, and other related capital projects. As of April 30, 2022, the full principal balance remains as the Village's first principal payment is scheduled to be made by December 1, 2022.
- The Village received a credit upgrade by Moody's Investor Services to Aa2 (High quality, subject to very low credit risk).

The Village's total legal general obligation debt limit is \$22,772,163. The Village's total general obligation debt applicable to this limit of \$170,000 is well within the limit. See Notes to Financial Statements #3: *Long-Term Debt* for additional information regarding the long-term debt of the Village.

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## ECONOMIC FACTORS

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The Village 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 2022 the Village's largest single source of revenue, property taxes, represents only 30% of total revenues. A similar breakdown has been achieved in prior years. The Village's 2021 tax year equalized assessed value (EAV) for property taxes payable in calendar year 2022 has yet to be certified by Cook County as of the time of this report. Over the last five years, the Village's EAV has increased 28%, which 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 2023 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 2023 budget also considers one of the largest capital plans undertaken in many years with total capital costs budgeted at \$2,221,093.

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## CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. This report and others may be found on the Village's website at [www.palospark.org](http://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, 2022**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Net Position  
April 30, 2022**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 7,796,583	3,428,175	11,224,758
Receivables - Net of Allowances	1,222,067	388,759	1,610,826
Due from Other Governments	77,169	-	77,169
Prepays	373,055	10,989	384,044
Total Current Assets	<u>9,468,874</u>	<u>3,827,923</u>	<u>13,296,797</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,729,796	20,000	1,749,796
Depreciable	5,684,507	36,462,040	42,146,547
Accumulated Depreciation	(3,265,392)	(22,397,670)	(25,663,062)
Total Capital Assets	<u>4,148,911</u>	<u>14,084,370</u>	<u>18,233,281</u>
Other Assets			
Net Pension Asset - IMRF	637,556	318,315	955,871
Net Pension Asset - SLEP	154,045	-	154,045
Total Other Assets	<u>791,601</u>	<u>318,315</u>	<u>1,109,916</u>
Total Noncurrent Assets	<u>4,940,512</u>	<u>14,402,685</u>	<u>19,343,197</u>
Total Assets	<u>14,409,386</u>	<u>18,230,608</u>	<u>32,639,994</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	119,274	59,551	178,825
Deferred Items - SLEP	18,765	-	18,765
Deferred Items - Police Pension	2,076,857	-	2,076,857
Total Deferred Outflows of Resources	<u>2,214,896</u>	<u>59,551</u>	<u>2,274,447</u>
Total Assets and Deferred Outflows of Resources	<u>16,624,282</u>	<u>18,290,159</u>	<u>34,914,441</u>

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 816,942	101,788	918,730
Accrued Payroll	64,532	9,456	73,988
Accrued Interest	7,899	5,237	13,136
Current Portion of Long-Term Liabilities	232,063	120,002	352,065
Total Current Liabilities	<u>1,121,436</u>	<u>236,483</u>	<u>1,357,919</u>
Noncurrent Liabilities			
Compensated Absences Payable	208,253	40,005	248,258
Net Pension Liability - Police Pension	4,204,018	-	4,204,018
Total OPEB Liability - RBP	186,123	35,015	221,138
General Obligation Bonds/Debt Certificates - Net	3,093,939	785,000	3,878,939
Total Noncurrent Liabilities	<u>7,692,333</u>	<u>860,020</u>	<u>8,552,353</u>
Total Liabilities	<u>8,813,769</u>	<u>1,096,503</u>	<u>9,910,272</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	748,675	-	748,675
Grants	322,248	-	322,248
Deferred Items - IMRF	810,130	404,477	1,214,607
Deferred Items - SLEP	134,486	-	134,486
Deferred Items - Police Pension	2,773,639	-	2,773,639
Total Deferred Inflows of Resources	<u>4,789,178</u>	<u>404,477</u>	<u>5,193,655</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,602,947</u>	<u>1,500,980</u>	<u>15,103,927</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,845,104	13,189,370	17,034,474
Restricted - IMRF	113,647	-	113,647
Restricted - Social Security	47,547	-	47,547
Restricted - Special Events	2,665	-	2,665
Restricted - Beautification	4,962	-	4,962
Restricted - Highways and Streets	805,922	-	805,922
Restricted - Exaction Fees	19,434	-	19,434
Unrestricted (Deficit)	(1,817,946)	3,599,809	1,781,863
Total Net Position	<u>3,021,335</u>	<u>16,789,179</u>	<u>19,810,514</u>

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended April 30, 2022**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 265,203	436,586	16,225	-
Public Safety	2,577,763	62,430	-	-
Public Works	1,426,442	-	502,848	-
Building and Public Grounds	537,635	-	-	-
Culture and Recreation	298,901	140,380	-	-
Interest on Long-Term Debt	86,465	-	-	-
Total Governmental Activities	5,192,409	639,396	519,073	-
<b>Business-Type Activities</b>				
Water	2,349,430	2,066,790	-	-
Sewer Maintenance	785,454	497,855	-	-
Refuse and Recycling	392,613	385,151	-	-
Commuter Parking Lot	24,392	15,417	-	-
Total Business-Type Activities	3,551,889	2,965,213	-	-
Total Primary Government	8,744,298	3,604,609	519,073	-
<b>General Revenues</b>				
Taxes				
Property				
Local Sales				
Utility				
Other Taxes				
Intergovernmental - Unrestricted				
State Sales Tax				
State Income Tax				
Replacement Tax				
Interest Income				
Miscellaneous				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Primary Government		
Net (Expense)/Revenue		
Governmental Activities	Business-Type Activities	Totals
187,608	-	187,608
(2,515,333)	-	(2,515,333)
(923,594)	-	(923,594)
(537,635)	-	(537,635)
(158,521)	-	(158,521)
(86,465)	-	(86,465)
(4,033,940)	-	(4,033,940)
-	(282,640)	(282,640)
-	(287,599)	(287,599)
-	(7,462)	(7,462)
-	(8,975)	(8,975)
-	(586,676)	(586,676)
(4,033,940)	(586,676)	(4,620,616)
1,586,067	-	1,586,067
322,452	-	322,452
434,069	-	434,069
265,943	-	265,943
1,187,419	-	1,187,419
700,890	-	700,890
28,481	-	28,481
5,660	1,392	7,052
520,676	86,848	607,524
5,051,657	88,240	5,139,897
1,017,717	(498,436)	519,281
2,003,618	17,287,615	19,291,233
3,021,335	16,789,179	19,810,514

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2022**

	General	Special Revenue Local Municipal Gas Tax	Nonmajor	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 3,232,252	3,345,082	1,219,249	7,796,583
Receivables - Net of Allowances				
Taxes	1,091,561	-	83,613	1,175,174
Accounts	32,965	-	-	32,965
Other	13,928	-	-	13,928
Due from Other Governments	10,909	49,995	16,265	77,169
Prepays	373,055	-	-	373,055
Total Assets	<u>4,754,670</u>	<u>3,395,077</u>	<u>1,319,127</u>	<u>9,468,874</u>
<b>LIABILITIES</b>				
Accounts Payable	792,053	7,500	17,389	816,942
Accrued Payroll	64,532	-	-	64,532
Total Liabilities	<u>856,585</u>	<u>7,500</u>	<u>17,389</u>	<u>881,474</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	748,675	-	-	748,675
Grants	322,248	-	-	322,248
Total Deferred Inflows	<u>1,070,923</u>	<u>-</u>	<u>-</u>	<u>1,070,923</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,927,508</u>	<u>7,500</u>	<u>17,389</u>	<u>1,952,397</u>
<b>FUND BALANCES</b>				
Nonspendable	373,055	-	-	373,055
Restricted	168,821	3,387,577	407,911	3,964,309
Committed	-	-	878,863	878,863
Assigned	-	-	14,964	14,964
Unassigned	2,285,286	-	-	2,285,286
Total Fund Balances	<u>2,827,162</u>	<u>3,387,577</u>	<u>1,301,738</u>	<u>7,516,477</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>4,754,670</u>	<u>3,395,077</u>	<u>1,319,127</u>	<u>9,468,874</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, 2022**

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<b>Total Governmental Fund Balances</b>	<b>\$ 7,516,477</b>
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.	4,148,911
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	637,556
Net Pension Asset - SLEP	154,045
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(690,856)
Deferred Items - SLEP	(115,721)
Deferred Items - Police Pension	(696,782)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(260,316)
Net Pension Liability - Police Pension	(4,204,018)
Total OPEB Liability - RBP	(186,123)
Debt Certificates Payable	(170,000)
General Obligation Bonds - Net	(3,103,939)
Accrued Interest Payable	(7,899)
<b>Net Position of Governmental Activities</b>	<b><u>3,021,335</u></b>

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, 2022**

	General	Special Revenue Local Municipal Gas Tax	Nonmajor	Totals
<b>Revenues</b>				
Taxes	\$ 2,286,079	-	322,452	2,608,531
Intergovernmental	1,933,015	203,145	299,703	2,435,863
Licenses and Permits	436,586	-	-	436,586
Charges for Services	140,380	-	-	140,380
Fines and Forfeitures	62,430	-	-	62,430
Investment Income	4,394	231	1,035	5,660
Miscellaneous	480,933	-	39,743	520,676
<b>Total Revenues</b>	<b>5,343,817</b>	<b>203,376</b>	<b>662,933</b>	<b>6,210,126</b>
<b>Expenditures</b>				
General Government	537,384	-	-	537,384
Public Safety	2,460,217	-	-	2,460,217
Public Works	604,692	-	48,679	653,371
Building and Public Grounds	514,735	-	22,900	537,635
Culture and Recreation	282,022	-	1,361	283,383
Capital Outlay	115,359	-	799,324	914,683
Debt Service				
Principal Retirement	-	-	35,000	35,000
Interest and Fiscal Charges	-	72,654	9,580	82,234
<b>Total Expenditures</b>	<b>4,514,409</b>	<b>72,654</b>	<b>916,844</b>	<b>5,503,907</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>829,408</b>	<b>130,722</b>	<b>(253,911)</b>	<b>706,219</b>
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	-	3,000,000	-	3,000,000
Premium on Debt Issuance	-	103,939	-	103,939
Transfers In	-	152,916	44,580	197,496
Transfers Out	(44,580)	-	(152,916)	(197,496)
	<b>(44,580)</b>	<b>3,256,855</b>	<b>(108,336)</b>	<b>3,103,939</b>
<b>Net Change in Fund Balances</b>	<b>784,828</b>	<b>3,387,577</b>	<b>(362,247)</b>	<b>3,810,158</b>
<b>Fund Balances - Beginning</b>	<b>2,042,334</b>	<b>-</b>	<b>1,663,985</b>	<b>3,706,319</b>
<b>Fund Balances - Ending</b>	<b>2,827,162</b>	<b>3,387,577</b>	<b>1,301,738</b>	<b>7,516,477</b>

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, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 3,810,158

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	175,478
Depreciation Expense	(195,437)
Disposals - Cost	(62,776)
Disposals - Accumulated Depreciation	44,497

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

Change in Deferred Items - IMRF	(283,741)
Change in Deferred Items - SLEP	(48,992)
Change in Deferred Items - Police Pension	(1,911,430)

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	(12,662)
Changes in Net Pension Liability/(Asset) - IMRF	604,507
Changes in Net Pension Liability/(Asset) - SLEP	107,979
Changes in Net Pension Liability - Police Pension	1,842,671
Changes in Total OPEB Liability - RBP	20,635
Issuance of Debt - Net	(3,103,939)
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.

(4,231)

**Changes in Net Position of Governmental Activities**

1,017,717

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, 2022**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 1,768,642	1,568,482	15,557	75,494	3,428,175
Receivables - Net of Allowances					
Accounts	271,337	51,969	65,453	-	388,759
Prepays	5,328	4,662	-	999	10,989
Total Current Assets	2,045,307	1,625,113	81,010	76,493	3,827,923
Noncurrent Assets					
Capital Assets					
Nondepreciable	20,000	-	-	-	20,000
Depreciable	18,926,290	17,514,394	-	21,356	36,462,040
Accumulated Depreciation	(11,178,787)	(11,212,476)	-	(6,407)	(22,397,670)
Total Capital Assets	7,767,503	6,301,918	-	14,949	14,084,370
Other Assets					
Net Pension Asset - IMRF	230,755	87,560	-	-	318,315
Total Noncurrent Assets	7,998,258	6,389,478	-	14,949	14,402,685
Total Assets	10,043,565	8,014,591	81,010	91,442	18,230,608
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Items - IMRF	43,170	16,381	-	-	59,551
Total Assets and Deferred Outflows of Resources	10,086,735	8,030,972	81,010	91,442	18,290,159

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

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$ 86,463	14,444	-	881	101,788
Accrued Payroll	6,846	2,610	-	-	9,456
Accrued Interest	5,237	-	-	-	5,237
Current Portion of Long-Term Debt	117,333	2,669	-	-	120,002
Total Current Liabilities	215,879	19,723	-	881	236,483
Noncurrent Liabilities					
Compensated Absences Payable	29,328	10,677	-	-	40,005
Total OPEB Liability - RBP	25,009	10,006	-	-	35,015
General Obligation Bonds	785,000	-	-	-	785,000
Total Noncurrent Liabilities	839,337	20,683	-	-	860,020
Total Liabilities	1,055,216	40,406	-	881	1,096,503
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Items - IMRF	293,216	111,261	-	-	404,477
Total Liabilities and Deferred Inflows of Resources	1,348,432	151,667	-	881	1,500,980
<b>NET POSITION</b>					
Net Investment in Capital Assets	6,872,503	6,301,918	-	14,949	13,189,370
Unrestricted	1,865,800	1,577,387	81,010	75,612	3,599,809
Total Net Position	8,738,303	7,879,305	81,010	90,561	16,789,179

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, 2022**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
Operating Revenues					
Charges for Services	\$ 2,030,205	496,220	385,151	15,417	2,926,993
Sale of Water Meters	11,110	-	-	-	11,110
Miscellaneous	25,475	1,635	-	-	27,110
Total Operating Revenues	2,066,790	497,855	385,151	15,417	2,965,213
Operating Expenses					
Personnel	339,561	134,526	-	-	474,087
Commodities	111,072	9,091	-	338	120,501
Water Purchases	806,713	-	-	-	806,713
Services	581,686	182,074	392,613	22,986	1,179,359
Depreciation	497,258	457,293	-	1,068	955,619
Total Operating Expenses	2,336,290	782,984	392,613	24,392	3,536,279
Operating Income (Loss)	(269,500)	(285,129)	(7,462)	(8,975)	(571,066)
Nonoperating Revenues (Expenses)					
Interest Income	953	411	-	28	1,392
Rental Income	21,280	-	-	-	21,280
Tap-On Fees	49,858	15,710	-	-	65,568
Disposal of Capital Assets	-	(2,470)	-	-	(2,470)
Interest Expense	(13,140)	-	-	-	(13,140)
	58,951	13,651	-	28	72,630
Change in Net Position	(210,549)	(271,478)	(7,462)	(8,947)	(498,436)
Net Position - Beginning	8,948,852	8,150,783	88,472	99,508	17,287,615
Net Position - Ending	8,738,303	7,879,305	81,010	90,561	16,789,179

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, 2022**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 1,918,851	500,402	384,082	15,300	2,818,635
Payments to Suppliers	(1,440,839)	(254,496)	(392,613)	(23,417)	(2,111,365)
Payments to Employees	(359,696)	(137,353)	-	-	(497,049)
	<u>118,316</u>	<u>108,553</u>	<u>(8,531)</u>	<u>(8,117)</u>	<u>210,221</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of Capital Assets	(58,760)	(30,012)	-	-	(88,772)
Principal Retirement	(105,000)	-	-	-	(105,000)
Interest Expense	(13,140)	-	-	-	(13,140)
	<u>(176,900)</u>	<u>(30,012)</u>	<u>-</u>	<u>-</u>	<u>(206,912)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Income	953	411	-	28	1,392
	<u>(57,631)</u>	<u>78,952</u>	<u>(8,531)</u>	<u>(8,089)</u>	<u>4,701</u>
<b>Net Change in Cash and Cash Equivalents</b>					
	<u>1,826,273</u>	<u>1,489,530</u>	<u>24,088</u>	<u>83,583</u>	<u>3,423,474</u>
<b>Cash and Cash Equivalents - Beginning</b>					
	<u>1,768,642</u>	<u>1,568,482</u>	<u>15,557</u>	<u>75,494</u>	<u>3,428,175</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	(269,500)	(285,129)	(7,462)	(8,975)	(571,066)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	497,258	457,293	-	1,068	955,619
Other Income (Expense)	71,138	15,710	-	-	86,848
(Increase) Decrease in Current Assets	(219,077)	(13,163)	(1,069)	(117)	(233,426)
Increase (Decrease) in Current Liabilities	38,497	(66,158)	-	(93)	(27,754)
	<u>118,316</u>	<u>108,553</u>	<u>(8,531)</u>	<u>(8,117)</u>	<u>210,221</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, 2022**

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	Pension Trust	Custodial
	Police Pension	Assessment Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 295,525	1,092,654
Investments		
U.S. Treasury Obligations	706,778	-
U.S. Agency Obligations	477,632	-
Corporate Bonds	979,940	-
Mutual Funds	1,789,064	-
Receivables		
Accrued Interest	15,933	-
	<u>          </u>	<u>          </u>
Total Assets	4,264,872	1,092,654
<b>LIABILITIES</b>		
Accounts Payable	424	-
	<u>          </u>	<u>          </u>
<b>NET POSITION</b>		
Net Position Restricted for Pensions	<u>4,264,448</u>	<u>1,092,654</u>

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2022**

	Pension Trust	Custodial
	Police Pension	Assessment Funds
<b>Additions</b>		
Contributions - Employer	\$ 414,000	-
Contributions - Plan Members	85,149	-
Contributions - Other	-	978
Total Contributions	499,149	978
<b>Investment Earnings</b>		
Interest Earned	309,583	435
Net Change in Fair Value	(558,373)	-
	(248,790)	435
Less Investment Expenses	(15,864)	-
Net Investment Income	(264,654)	435
Total Additions	234,495	1,413
<b>Deductions</b>		
Administration	8,878	-
Benefits and Refunds	289,812	-
Total Deductions	298,690	-
Change in Fiduciary Net Position	(64,195)	1,413
<b>Net Position Restricted for Pensions</b>		
Beginning	4,328,643	1,091,241
Ending	4,264,448	1,092,654

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, 2022

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

The Village of Palos Park, Illinois (the Village), is a non-home rule village incorporated in 1914. The Village 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, 2022

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

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

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

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

The net costs (by function or business-type activity) are normally covered by general revenue (property 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, 2022

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

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

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The 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 Local Municipal Gas Tax Fund is a major fund and is used to account for the operation of street maintenance and related capital projects. Financing is provided from the Village's local 3¢ gas tax. The Village maintains five nonmajor special revenue funds.

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2022

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

*Capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains 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, 2022

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### 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 eight (8) 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, 2022

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

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

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred 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, 2022

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

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

##### Cash and Investments

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

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

##### Receivables

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

##### Interfund Receivables, Payables and Activity

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

##### Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. 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, 2022**

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

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

**Capital Assets**

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

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at 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 and 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, 2022

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

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

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/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, 2022**

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

**BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that in Enterprise Funds, capital additions and debt principal payments are budgeted, while depreciation is not. Annual budgets are adopted (at the fund level) for the general, special revenue (except for the Exaction Fee, Fine Arts, and Local Municipal Gas Tax 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 2022 Budget was approved in April 2021. 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 FUNDS**

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

Fund	Excess
Police Forfeiture	\$ 196
Police Pension	3,703

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2022

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

##### DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

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

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

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2022

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

##### DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. 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 \$8,454,631 and the bank balances totaled \$8,557,667. In addition, the Village had \$2,545,808 invested in Illinois Funds and \$224,319 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, 2022

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured. At year-end, 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 \$295,525 and the bank balances totaled \$295,525.

*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	\$ 706,778	-	401,695	305,083	-
U.S. Agency Obligations	477,632	137,620	205,444	134,568	-
Corporate Bonds	979,940	200,593	685,550	93,797	-
	2,164,350	338,213	1,292,689	533,448	-

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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, 2022:

	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	\$ 706,778	706,778	-	-
U.S. Agency Obligations	477,632	-	477,632	-
Corporate Bonds	979,940	-	979,940	-
	2,164,350	706,778	1,457,572	-
Equity Securities				
Mutual Funds	1,789,064	1,789,064	-	-
	3,953,414	2,495,842	1,457,572	-

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, 2022

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*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 \$1,789,064 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	52.75%	2.25% - 6.71%
Equities	41.50%	3.66% - 8.42%
Real Estate	2.12%	3.78% - 5.47%
Cash and Cash Equivalents	3.61%	1.42%

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, 2022

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

*Concentration Risk – 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 2022 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, 2022 are listed in the table on the previous page.

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (6.11%). 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 2021 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 and (2) move receipts from the nonmajor fund to establish the new fund, Local Municipal Gas Tax.

Transfer In	Transfer Out	Amount
Local Municipal Gas Tax	Nonmajor Governmental	\$ 152,916 (2)
Nonmajor Governmental	General	<u>44,580 (1)</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,709,988	-	-	1,709,988
Construction in Progress	-	19,808	-	19,808
	<u>1,709,988</u>	<u>19,808</u>	<u>-</u>	<u>1,729,796</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	4,440,422	53,025	35,869	4,457,578
Vehicles and Equipment	1,151,191	102,645	26,907	1,226,929
	<u>5,591,613</u>	<u>155,670</u>	<u>62,776</u>	<u>5,684,507</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	2,122,809	113,454	17,590	2,218,673
Vehicles and Equipment	991,643	81,983	26,907	1,046,719
	<u>3,114,452</u>	<u>195,437</u>	<u>44,497</u>	<u>3,265,392</u>
 Total Net Depreciable Capital Assets	 <u>2,477,161</u>	 <u>(39,767)</u>	 <u>18,279</u>	 <u>2,419,115</u>
 Total Net Capital Assets	 <u>4,187,149</u>	 <u>(19,959)</u>	 <u>18,279</u>	 <u>4,148,911</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 97,266
Public Safety	48,787
Public Works	33,866
Culture and Recreation	<u>15,518</u>
	<u>195,437</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 20,000	-	-	20,000
<b>Depreciable Capital Assets</b>				
Land Improvements	21,356	-	-	21,356
Vehicles and Equipment	344,769	-	-	344,769
Water Distribution System	18,688,797	58,760	-	18,747,557
Sewer Distribution System	17,324,521	30,012	6,175	17,348,358
	<u>36,379,443</u>	<u>88,772</u>	<u>6,175</u>	<u>36,462,040</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	5,338	1,068	-	6,406
Vehicles and Equipment	322,661	7,370	-	330,031
Water Distribution System	10,513,850	493,572	-	11,007,422
Sewer Distribution System	10,603,907	453,609	3,705	11,053,811
	<u>21,445,756</u>	<u>955,619</u>	<u>3,705</u>	<u>22,397,670</u>
 Total Net Depreciable Capital Assets	 <u>14,933,687</u>	 <u>(866,847)</u>	 <u>2,470</u>	 <u>14,064,370</u>
 Total Net Capital Assets	 <u>14,953,687</u>	 <u>(866,847)</u>	 <u>2,470</u>	 <u>14,084,370</u>

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

Water	\$ 497,258
Sewer Maintenance	457,293
Commuter Parking Lot	<u>1,068</u>
	<u>955,619</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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
\$1,000,000 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	-	105,000	895,000
\$3,000,000 General Obligation Alternate Revenue Bonds of 2022, due in annual installments of \$105,000 to \$205,000 plus interest at 3.50% to 4.00% through December 1, 2041.	-	3,000,000	-	3,000,000
	<u>1,000,000</u>	<u>3,000,000</u>	<u>105,000</u>	<u>3,895,000</u>

**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.	\$ 205,000	-	35,000	170,000

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

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

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 247,654	25,324	12,662	260,316	52,063
Net Pension Liability - Police Pension	6,046,689	-	1,842,671	4,204,018	-
Total OPEB Liability - RBP	206,758	-	20,635	186,123	-
General Obligation Bonds	-	3,000,000	-	3,000,000	140,000
Unamortized Bond Premium	-	103,939	-	103,939	-
Debt Certificates	205,000	-	35,000	170,000	40,000
	<u>6,706,101</u>	<u>3,129,263</u>	<u>1,910,968</u>	<u>7,924,396</u>	<u>232,063</u>
<b>Business-Type Activities</b>					
Compensated Absences	54,052	4,045	8,090	50,007	10,002
Total OPEB Liability - RBP	55,379	-	20,364	35,015	-
General Obligation Bonds	1,000,000	-	105,000	895,000	110,000
	<u>1,109,431</u>	<u>4,045</u>	<u>133,454</u>	<u>980,022</u>	<u>120,002</u>

For the governmental activities, payments on the compensated absences, the net pension liability, and the total OPEB liability are made by the General Fund. Payments on the debt certificates are being liquidated by the Land Acquisition Fund and payments on the General Obligation Bonds are being liquidated by the Local Municipal Gas Tax Fund.

Additionally, for business-type activities, the compensated absences 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.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

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

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

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

Fiscal Year	Governmental Activities				Business-Type Activities	
	Debt Certificates		General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 40,000	7,323	140,000	72,723	110,000	12,567
2024	40,000	5,617	105,000	108,725	110,000	11,413
2025	45,000	3,901	110,000	104,525	110,000	10,148
2026	45,000	1,957	115,000	100,125	110,000	8,773
2027	-	-	115,000	95,525	110,000	7,287
2028	-	-	120,000	90,925	115,000	5,693
2029	-	-	125,000	86,125	115,000	3,910
2030	-	-	130,000	81,125	115,000	2,012
2031	-	-	135,000	75,925	-	-
2032	-	-	140,000	70,525	-	-
2033	-	-	150,000	64,925	-	-
2034	-	-	155,000	58,925	-	-
2035	-	-	160,000	52,725	-	-
2036	-	-	165,000	46,325	-	-
2037	-	-	175,000	39,725	-	-
2038	-	-	180,000	33,600	-	-
2039	-	-	185,000	27,300	-	-
2040	-	-	190,000	20,825	-	-
2041	-	-	200,000	14,175	-	-
2042	-	-	205,000	7,175	-	-
Totals	170,000	18,798	3,000,000	1,251,948	895,000	61,803

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

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

**LONG-TERM DEBT – Continued**

**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 - 2021	<u>\$ 264,025,078</u>
Legal Debt Limit - 8.625% of Assessed Value	22,772,163
Amount of Debt Applicable to Limit	<u>170,000</u>
Legal Debt Margin	<u>22,602,163</u>

**FUND BALANCE/NET POSITION**

**Fund Balance Classifications**

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

*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.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

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

**FUND BALANCE/NET POSITION - Continued**

**Fund Balance Classifications – Continued**

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

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

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

	General	Special Revenue Local Municipal Gas Tax	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 373,055	-	-	373,055
Restricted				
IMRF	113,647	-	-	113,647
Social Security	47,547	-	-	47,547
Special Events	2,665	-	-	2,665
Beautification	4,962	-	-	4,962
Highways and Streets	-	3,387,577	388,477	3,776,054
Exaction Fee	-	-	19,434	19,434
	168,821	3,387,577	407,911	3,964,309
Committed				
Capital Projects	-	-	96,456	96,456
Public Infrastructure Improvements	-	-	782,407	782,407
	-	-	878,863	878,863
Assigned				
Fine Arts	-	-	14,964	14,964
Unassigned	2,285,286	-	-	2,285,286
Total Fund Balances	2,827,162	3,387,577	1,301,738	7,516,477

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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

#### FUND BALANCE/NET POSITION – Continued

##### Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 4,148,911
Plus: Unspent Bond Proceeds	2,970,132
Less Capital Related Debt:	
Debt Certificates of 2006	(170,000)
General Obligation Alternate Revenue Bonds of 2022	(3,000,000)
Unamortized Bond Premium	<u>(103,939)</u>
Net Investment in Capital Assets	<u><u>3,845,104</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	14,084,370
Less Capital Related Debt:	
General Obligation Refunding Alternate Revenue Bonds of 2021	<u>(895,000)</u>
Net Investment in Capital Assets	<u><u>13,189,370</u></u>

### NOTE 4 – OTHER INFORMATION

#### CONTINGENT LIABILITIES

##### Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

##### Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

#### RISK MANAGEMENT

##### Intergovernmental Risk Management Agency

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

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

Each member appoints one delegate along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. 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, 2022

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), a defined benefit cost-sharing multiple-employer public employee retirement system and 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 123<sup>rd</sup> Street, Palos Park, Illinois 60464. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

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

	Net Pension Liability (Assets)	Deferred Outflows	Deferred Inflows	Pension Expenses (Revenues)
IMRF	\$ (955,871)	178,825	1,214,607	(312,373)
SLEP	(154,045)	18,765	134,486	(37,230)
Police Pension	4,204,018	2,076,857	2,773,639	482,759
	<u>3,094,102</u>	<u>2,274,447</u>	<u>4,122,732</u>	<u>133,156</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, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* 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, 2022**

**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, 2021, the measurement date, the following employees were covered by the benefit terms:

	Regular	SLEP
Inactive Plan Members Currently Receiving Benefits	40	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	32	-
Active Plan Members	32	1
Totals	<u>104</u>	<u>1</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, 2022, the Village’s contribution was 11.30% of covered payroll for the Regular Plan and 16.11% for the SLEP Plan.

*Net Pension (Asset).* The net pension (asset) was measured as of December 31, 2021. 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, 2021, using the following actuarial methods and assumptions:

IMRF		SLEP	
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, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Plan Descriptions – Continued

*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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

###### Discount Rate

The discount rate used to measure the total pension liability was 7.25% 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)	\$ 92,463	(955,871)	(1,805,032)

	SLEP		
	Current		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (49,555)	(154,045)	(243,262)

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Changes in the Net Pension (Asset) – Regular Plan

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 8,935,399	8,984,921	(49,522)
Changes for the Year:			
Service Cost	136,714	-	136,714
Interest on the Total Pension Liability	627,256	-	627,256
Difference Between Expected and Actual Experience of the Total Pension Liability	170,745	-	170,745
Changes of Assumptions	-	-	-
Contributions - Employer	-	178,104	(178,104)
Contributions - Employees	-	66,130	(66,130)
Net Investment Income	-	1,522,313	(1,522,313)
Benefit Payments, including Refunds of Employee Contributions	(501,080)	(501,080)	-
Other (Net Transfer)	-	74,517	(74,517)
Net Changes	433,635	1,339,984	(906,349)
Balances at December 31, 2021	9,369,034	10,324,905	(955,871)

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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 (Asset) (A) - (B)
Balances at December 31, 2020	\$ 843,256	889,322	(46,066)
Changes for the Year:			
Service Cost	21,398	-	21,398
Interest on the Total Pension Liability	61,912	-	61,912
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(37,365)	-	(37,365)
Changes of Assumptions	-	-	-
Contributions - Employer	-	23,064	(23,064)
Contributions - Employees	-	10,028	(10,028)
Net Investment Income	-	126,461	(126,461)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(5,629)	5,629
Net Changes	45,945	153,924	(107,979)
Balances at December 31, 2021	889,201	1,043,246	(154,045)

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

For the year ended April 30, 2022, the Village recognized pension revenue of \$312,373 for the regular plan and a pension revenue of \$37,230 for the SLEP Plan. At April 30, 2022, 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, 2022**

**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	\$ 128,756	-	128,756
Change in Assumptions	-	(31,667)	(31,667)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,182,940)	(1,182,940)
Total Pension Expense to be Recognized in Future Periods	128,756	(1,214,607)	(1,085,851)
Pension Contributions Made Subsequent to the Measurement Date	50,069	-	50,069
Total Deferred Amounts Related to IMRF	<u>178,825</u>	<u>(1,214,607)</u>	<u>(1,035,782)</u>

\$50,069 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, 2023. 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
2023	\$ (222,360)
2024	(396,538)
2025	(289,845)
2026	(177,108)
2027	-
Thereafter	-
Totals	<u>(1,085,851)</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2022

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	\$ -	(55,215)	(55,215)
Change in Assumptions	12,240	-	12,240
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(79,271)	(79,271)
Total Pension Expense to be Recognized in Future Periods	12,240	(134,486)	(122,246)
Pension Contributions Made Subsequent to the Measurement Date	6,525	-	6,525
Total Deferred Amounts Related to SLEP	<u>18,765</u>	<u>(134,486)</u>	<u>(115,721)</u>

\$6,525 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, 2023. 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	
2023	\$	(42,741)
2024		(46,532)
2025		(20,775)
2026		(12,198)
2027		-
Thereafter		-
Total		<u>(122,246)</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2022

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

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

*Plan Membership.* At April 30, 2022, 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	2
Active Plan Members	<u>10</u>
Total	<u><u>16</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, 2022

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#### NOTE 4 – OTHER INFORMATION – Continued

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

##### Police Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the Village's contribution was 47.91% 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, 2022**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	2.25% - 20.50%
Cost of Living Adjustments	3.25%
Inflation	2.25%

Mortality rates were based on Pub-2010 adjusted for plan status, demographics, and Illinois public pension data.

**Discount Rate**

The discount rate used to measure the total pension liability was 5.50% and 4.18% in the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Police Pension Plan – Continued**

**Discount Rate Sensitivity**

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

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability	\$ 5,600,974	4,204,018	3,073,885

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 10,375,332	4,328,643	6,046,689
Changes for the Year:			
Service Cost	470,506	-	470,506
Interest on the Total Pension Liability	402,080	-	402,080
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(577,065)	-	(577,065)
Changes of Assumptions	(1,912,575)	-	(1,912,575)
Contributions - Employer	-	414,000	(414,000)
Contributions - Employees	-	85,149	(85,149)
Net Investment Income	-	(264,654)	264,654
Benefit Payments, including Refunds of Employee Contributions	(289,812)	(289,812)	-
Other (Net Transfer)	-	(8,878)	8,878
Net Changes	(1,906,866)	(64,195)	(1,842,671)
Balances at April 30, 2022	8,468,466	4,264,448	4,204,018

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2022**

**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, 2022, the Village recognized pension expense of \$482,759. At April 30, 2022, 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	\$ 3,436	(983,783)	(980,347)
Change in Assumptions	1,868,773	(1,789,856)	78,917
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	204,648	-	204,648
Total Deferred Amounts Related to Police Pension	<u>2,076,857</u>	<u>(2,773,639)</u>	<u>(696,782)</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources
2023	\$ (57,375)
2024	(34,083)
2025	(73,861)
2026	10,917
2027	(171,178)
Thereafter	<u>(371,202)</u>
Total	<u><u>(696,782)</u></u>

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements

April 30, 2022

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### 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, 2022, 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, 2022 and was determined by an actuarial valuation as of that date.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2022

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### 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, 2022 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	3.21%
Healthcare Cost Trend Rates	7.70% for PPO plans for 2022, decreasing to an ultimate rate of 5.0% for 2031 and later years. 6.60% for HMO plans for 2022, decreasing to an ultimate rate of 5.0% for 2031 and later years. 7.20% for PPO plans for 2022, 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 PubG-2010(B) improved generationally using MP-2020 improvement rates, weighted per IMRF experience study report dated December 14, 2020.

#### Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2021	\$ 262,137
Changes for the Year:	
Service Cost	8,733
Interest on the Total OPEB Liability	5,796
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(41,958)
Benefit Payments	<u>(13,570)</u>
Net Changes	<u>(40,999)</u>
Balance at April 30, 2022	<u>221,138</u>

## VILLAGE OF PALOS PARK, ILLINOIS

### Notes to the Financial Statements

April 30, 2022

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#### 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 3.21%, while the prior valuation used 2.27%. 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 (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB Liability	\$ 247,828	221,138	198,757

##### 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	\$ 194,425	221,138	253,136

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

For the year ended April 30, 2022, the Village recognized OPEB revenue of \$27,429. 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 \$644,497 to be received in two installments. On September 9, 2021, the Village received their first installment of \$321,916. As of the date of these financial statements, the Village has not received their second installment.

## **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, 2022**

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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%
2022	168,238	168,238	-	1,489,316	11.30%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022**

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%
2022	21,757	21,757	-	135,032	16.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022**

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%
2022	463,841	414,000	(49,841)	864,089	47.91%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	5- Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	6.00%
Retirement Age	50-70
Mortality	Pub-2010 adjusted for plan status, demographics, and Illinois Public Pension data

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, 2022**

	2016	2017
Total Pension Liability		
Service Cost	\$ 157,935	166,212
Interest	513,332	536,775
Differences Between Expected and Actual Experience	(31,948)	390,587
Change of Assumptions	8,402	(26,814)
Benefit Payments, Including Refunds of Member Contributions	(401,684)	(398,967)
Net Change in Total Pension Liability	246,037	667,793
Total Pension Liability - Beginning	6,984,598	6,984,598
Total Pension Liability - Ending	7,230,635	7,652,391
Plan Fiduciary Net Position		
Contributions - Employer	\$ 183,004	187,792
Contributions - Members	72,845	65,716
Net Investment Income	30,009	416,086
Benefit Payments, Including Refunds of Member Contributions	(401,684)	(398,967)
Administrative Expense	68,641	125,998
Net Change in Plan Fiduciary Net Position	(47,185)	396,625
Plan Net Position - Beginning	6,079,999	6,032,814
Plan Net Position - Ending	6,032,814	6,429,439
Employer's Net Pension Liability/(Asset)	\$ 1,197,821	1,222,952
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.43%	84.02%
Covered Payroll	\$ 1,419,733	1,450,955
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	84.37%	84.29%

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

2018	2019	2020	2021	2022
163,102	153,547	160,736	163,686	136,714
571,830	564,053	596,796	618,326	627,256
(45,873)	113,272	74,115	34,733	170,745
(263,489)	222,637	-	(99,360)	-
(406,483)	(425,046)	(442,119)	(471,455)	(501,080)
19,087	628,463	389,528	245,930	433,635
7,652,391	7,671,478	8,299,941	8,689,469	8,935,399
7,671,478	8,299,941	8,689,469	8,935,399	9,369,034
171,645	182,908	158,540	176,935	178,104
64,475	66,432	68,141	64,366	66,130
1,181,987	(420,518)	1,314,892	1,143,247	1,522,313
(406,483)	(425,046)	(442,119)	(471,455)	(501,080)
(216,430)	169,978	43,736	130,251	74,517
795,194	(426,246)	1,143,190	1,043,344	1,339,984
6,429,439	7,224,633	6,798,387	7,941,577	8,984,921
7,224,633	6,798,387	7,941,577	8,984,921	10,324,905
446,845	1,501,554	747,892	(49,522)	(955,871)
94.18%	81.91%	91.39%	100.55%	110.20%
1,432,772	1,476,259	1,514,235	1,430,351	1,463,467
31.19%	101.71%	49.39%	(3.46%)	(65.32%)

**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, 2022**

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

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

2018	2019	2020	2021	2022
23,049	23,205	22,735	23,721	21,398
45,070	50,209	54,957	58,150	61,912
(8,779)	(6,097)	(34,144)	(43,898)	(37,365)
9,106	21,491	-	15,078	-
68,446	88,808	43,548	53,051	45,945
589,403	657,849	746,657	790,205	843,256
657,849	746,657	790,205	843,256	889,201
20,175	20,442	21,415	23,190	23,064
9,165	9,394	9,629	9,711	10,028
74,211	(9,368)	96,370	93,398	126,461
(2,317)	670	(2,392)	1,091	(5,629)
101,234	21,138	125,022	127,390	153,924
514,538	615,772	636,910	761,932	889,322
615,772	636,910	761,932	889,322	1,043,246
42,077	109,747	28,273	(46,066)	(154,045)
93.60%	85.30%	96.42%	105.46%	117.32%
122,198	125,252	128,383	129,476	133,707
34.43%	87.62%	22.02%	(35.58%)	(115.21%)

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2022**

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

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	2022
251,198	266,270	237,104	264,252	341,269	470,506
374,757	391,218	397,276	414,920	420,852	402,080
-	-	-	116,245	-	-
26,392	(454,778)	(148,438)	(50,678)	(291,127)	(577,065)
(218,530)	590,072	(163,568)	908,814	1,452,629	(1,912,575)
(142,868)	(176,031)	(185,283)	(191,203)	(372,797)	(289,812)
290,949	616,751	137,091	1,462,350	1,550,826	(1,906,866)
6,317,365	6,608,314	7,225,065	7,362,156	8,824,506	10,375,332
6,608,314	7,225,065	7,362,156	8,824,506	10,375,332	8,468,466
200,000	250,000	250,000	325,000	335,000	414,000
75,391	65,873	77,130	84,306	82,177	85,149
110,855	108,930	176,722	40,642	696,544	(264,654)
(142,868)	(176,031)	(185,283)	(191,203)	(372,797)	(289,812)
(1,380)	(1,856)	(1,455)	(4,319)	(5,785)	(8,878)
241,998	246,916	317,114	254,426	735,139	(64,195)
2,533,050	2,775,048	3,021,964	3,339,078	3,593,504	4,328,643
2,775,048	3,021,964	3,339,078	3,593,504	4,328,643	4,264,448
3,833,266	4,203,101	4,023,078	5,231,002	6,046,689	4,204,018
41.99%	41.83%	45.35%	40.72%	41.72%	50.36%
628,629	664,715	815,769	850,714	829,232	864,089
609.78%	632.32%	493.16%	614.90%	729.19%	486.53%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.62%
2016	2.07%
2017	4.25%
2018	3.94%
2019	5.92%
2020	(4.96%)
2021	19.89%
2022	(6.11%)

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, 2022**

	2019	2020	2021	2022
Total OPEB Liability				
Service Cost	\$ 9,273	9,819	11,760	8,733
Interest	8,193	8,236	6,478	5,796
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(19,567)	-
Change of Assumptions or Other Inputs	3,621	33,197	19,506	(41,958)
Benefit Payments	(7,401)	(12,845)	(18,208)	(13,570)
Net Change in Total OPEB Liability	13,686	38,407	(31)	(40,999)
Total OPEB Liability - Beginning	210,075	223,761	262,168	262,137
Total OPEB Liability - Ending	223,761	262,168	262,137	221,138
Covered-Employee Payroll	\$ 2,267,478	2,556,338	2,458,250	2,376,511
Total OPEB Liability as a Percentage of Covered-Employee Payroll	9.87%	10.26%	10.66%	9.31%

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2019

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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, 2022  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
<b>Revenues</b>				
Taxes	\$ 2,105,093	2,286,079	180,986	1,983,135
Intergovernmental	1,463,278	1,933,015	469,737	1,688,939
Licenses and Permits	394,341	436,586	42,245	467,987
Charges for Services	203,090	140,380	(62,710)	186,173
Fines and Forfeitures	79,308	62,430	(16,878)	63,530
Interest Income	7,960	4,394	(3,566)	11,376
Miscellaneous	437,823	480,933	43,110	496,324
Total Revenues	<u>4,690,893</u>	<u>5,343,817</u>	<u>652,924</u>	<u>4,897,464</u>
<b>Expenditures</b>				
General Government	568,811	537,384	(31,427)	633,434
Public Safety	2,471,202	2,460,217	(10,985)	2,378,302
Public Works	581,561	604,692	23,131	534,016
Building and Public Grounds	612,852	514,735	(98,117)	505,500
Culture and Recreation	339,564	282,022	(57,542)	188,467
Capital Outlay	74,500	115,359	40,859	21,993
Total Expenditures	<u>4,648,490</u>	<u>4,514,409</u>	<u>(134,081)</u>	<u>4,261,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,403</u>	<u>829,408</u>	<u>787,005</u>	<u>635,752</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	5,260
Transfers Out	(44,580)	(44,580)	-	(15,394)
	<u>(44,580)</u>	<u>(44,580)</u>	<u>-</u>	<u>(10,134)</u>
Net Change in Fund Balance	<u>(2,177)</u>	784,828	<u>787,005</u>	625,618
Fund Balance - Beginning		<u>2,042,334</u>		<u>1,416,716</u>
Fund Balance - Ending		<u>2,827,162</u>		<u>2,042,334</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**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUNDS**

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

#### **Local Municipal Gas Tax Fund**

The Local Municipal Gas Tax Fund is used to account for the operation of street maintenance and related capital projects. Financing is provided from the Village's local 3¢ gas tax.

#### **Motor Fuel Tax Fund**

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

#### **Police Forfeiture Fund**

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

#### **Exaction Fee Fund**

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

#### **Fine Arts Fund**

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

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

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

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# INDIVIDUAL FUND DESCRIPTIONS

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## CAPITAL PROJECTS FUNDS

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

### Capital Improvements Fund

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

### 1/2% Sales Tax Fund

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

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## ENTERPRISE FUNDS

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

### Water Fund

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

### Sewer Maintenance Fund

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

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **ENTERPRISE FUNDS – Continued**

#### **Refuse and Recycling Fund**

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

#### **Commuter Parking Lot Fund**

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

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### **TRUST AND 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.

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**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
Taxes				
Property	\$ 1,512,637	1,586,067	73,430	1,422,163
Utility	383,858	434,069	50,211	391,033
Other Taxes	208,598	265,943	57,345	169,939
Total Taxes	2,105,093	2,286,079	180,986	1,983,135
Intergovernmental				
State Sales Tax	889,946	1,187,419	297,473	936,706
State Income Tax	537,532	700,890	163,358	555,647
Replacement Tax	10,800	28,481	17,681	12,252
Grants	25,000	16,225	(8,775)	184,334
Total Intergovernmental	1,463,278	1,933,015	469,737	1,688,939
Licenses and Permits	394,341	436,586	42,245	467,987
Charges for Services	203,090	140,380	(62,710)	186,173
Fines and Forfeitures	79,308	62,430	(16,878)	63,530
Interest Income	7,960	4,394	(3,566)	11,376
Miscellaneous				
Fees by Agreement	277,618	250,461	(27,157)	269,722
Miscellaneous	160,205	230,472	70,267	226,602
Total Miscellaneous	437,823	480,933	43,110	496,324
Total Revenues	4,690,893	5,343,817	652,924	4,897,464

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
General Government				
Administration				
Wages	\$ 288,590	295,404	6,814	290,264
Benefits	96,458	96,890	432	99,296
Risk Management Insurance	9,492	9,660	168	9,687
Legal Fees	42,000	38,810	(3,190)	47,318
Consultants, Engineers and Planners	250	-	(250)	-
Other Contractual Services	75,829	56,060	(19,769)	42,707
Commodities	57,414	45,468	(11,946)	43,414
Public Affairs				
Benefits	21,761	-	(21,761)	22,391
Risk Management Insurance	904	920	16	842
Legal Fees	5,000	-	(5,000)	-
Consultants, Engineers and Planners	5,000	3,344	(1,656)	-
Other Contractual Services	13,450	10,399	(3,051)	6,823
Commodities	5,900	4,705	(1,195)	3,963
Finance				
Wages	93,280	93,415	135	98,706
Benefits	18,920	18,421	(499)	20,729
Risk Management Insurance	3,164	3,220	56	2,946
Legal Fees	310	88	(222)	389
Consultants, Engineers and Planners	45,888	50,038	4,150	43,204
Commodities	3,788	3,314	(474)	5,272
Other				
Other Contractual Services	7,720	3,865	(3,855)	5,483
	<u>795,118</u>	<u>734,021</u>	<u>(61,097)</u>	<u>743,434</u>
Less Administrative Charges	<u>(226,307)</u>	<u>(196,637)</u>	<u>29,670</u>	<u>(110,000)</u>
Total General Government	<u>568,811</u>	<u>537,384</u>	<u>(31,427)</u>	<u>633,434</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

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

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
<b>Public Safety</b>				
Wages	\$ 1,408,992	1,437,596	28,604	1,436,293
Benefits	686,327	686,283	(44)	606,623
Risk Management Insurance	42,064	37,720	(4,344)	36,442
Legal Fees	39,000	25,974	(13,026)	32,129
Other Contractual Services	185,004	162,492	(22,512)	174,922
Commodities	109,815	110,152	337	91,893
<b>Total Public Safety</b>	<b>2,471,202</b>	<b>2,460,217</b>	<b>(10,985)</b>	<b>2,378,302</b>
<b>Public Works</b>				
Wages	268,487	278,538	10,051	255,978
Benefits	89,962	84,096	(5,866)	79,818
Risk Management Insurance	9,944	10,120	176	9,257
Legal Fees	2,500	1,540	(960)	2,618
Other Contractual Services	170,654	189,563	18,909	149,932
Commodities	40,014	40,835	821	36,413
<b>Total Public Works</b>	<b>581,561</b>	<b>604,692</b>	<b>23,131</b>	<b>534,016</b>
<b>Building and Public Grounds</b>				
<b>Building</b>				
Wages	229,238	206,711	(22,527)	217,002
Benefits	74,829	87,418	12,589	63,157
Risk Management Insurance	4,972	5,060	88	4,629
Legal Fees	20,000	6,563	(13,437)	13,667
Other Contractual Services	130,941	80,986	(49,955)	97,370
Commodities	8,430	5,823	(2,607)	7,074
<b>Public Grounds</b>				
Risk Management Insurance	2,712	2,760	48	2,525
Other Contractual Services	131,015	107,177	(23,838)	93,329
Commodities	10,715	12,237	1,522	6,747
<b>Total Building and Public Grounds</b>	<b>612,852</b>	<b>514,735</b>	<b>(98,117)</b>	<b>505,500</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

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

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
<b>Culture and Recreation</b>				
<b>Recreation</b>				
Wages	\$ 135,393	131,611	(3,782)	102,400
Benefits	47,034	41,635	(5,399)	36,527
Risk Management Insurance	7,232	7,360	128	6,733
Legal Fees	250	-	(250)	704
Other Contractual Services	49,018	32,565	(16,453)	25,830
Commodities	29,737	9,304	(20,433)	11,812
<b>Festivals</b>				
Other Contractual Services	63,400	48,117	(15,283)	3,610
Commodities	7,500	11,430	3,930	851
<b>Total Culture and Recreation</b>	<b>339,564</b>	<b>282,022</b>	<b>(57,542)</b>	<b>188,467</b>
<b>Capital Outlay</b>				
Building and Public Grounds	4,500	-	(4,500)	-
Administration	30,000	19,808	(10,192)	-
Public Safety	40,000	61,450	21,450	21,993
Building Improvements	-	34,101	34,101	-
	<b>74,500</b>	<b>115,359</b>	<b>40,859</b>	<b>21,993</b>
<b>Total Expenditures</b>	<b>4,648,490</b>	<b>4,514,409</b>	<b>(134,081)</b>	<b>4,261,712</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2022**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 406,610	812,639	1,219,249
Receivables - Net of Allowances			
Sales Tax	-	83,613	83,613
Due from Other Governments	16,265	-	16,265
Total Assets	422,875	896,252	1,319,127
<b>LIABILITIES</b>			
Accounts Payable	-	17,389	17,389
<b>FUND BALANCES</b>			
Restricted	407,911	-	407,911
Committed	-	878,863	878,863
Assigned	14,964	-	14,964
Total Fund Balances	422,875	878,863	1,301,738
Total Liabilities and Fund Balances	422,875	896,252	1,319,127

**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, 2022**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Taxes	\$ -	322,452	322,452
Intergovernmental	299,703	-	299,703
Interest	359	676	1,035
Miscellaneous	19,534	20,209	39,743
Total Revenues	<u>319,596</u>	<u>343,337</u>	<u>662,933</u>
<b>Expenditures</b>			
Public Works	48,679	-	48,679
Culture and Recreation	1,361	-	1,361
Building and Public Grounds	-	22,900	22,900
Capital Outlay	466,196	333,128	799,324
Debt Service			
Principal Retirement	35,000	-	35,000
Interest and Fiscal Charges	9,580	-	9,580
Total Expenditures	<u>560,816</u>	<u>356,028</u>	<u>916,844</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>			
	<u>(241,220)</u>	<u>(12,691)</u>	<u>(253,911)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	44,580	-	44,580
Transfers Out	(152,916)	-	(152,916)
	<u>(108,336)</u>	<u>-</u>	<u>(108,336)</u>
<b>Net Change in Fund Balances</b>			
	(349,556)	(12,691)	(362,247)
<b>Fund Balances - Beginning</b>			
	<u>772,431</u>	<u>891,554</u>	<u>1,663,985</u>
<b>Fund Balances - Ending</b>			
	<u><u>422,875</u></u>	<u><u>878,863</u></u>	<u><u>1,301,738</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet  
April 30, 2022**

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	Motor Fuel Tax	Police Forfeiture	Land Acquisition and Recreation	Exaction Fee	Fine Arts	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 372,212	-	-	19,434	14,964	406,610
Due from Other Governments	16,265	-	-	-	-	16,265
Total Assets	388,477	-	-	19,434	14,964	422,875
<b>LIABILITIES</b>						
Accounts Payable	-	-	-	-	-	-
<b>FUND BALANCES</b>						
Restricted	388,477	-	-	19,434	-	407,911
Assigned	-	-	-	-	14,964	14,964
Total Fund Balances	388,477	-	-	19,434	14,964	422,875
Total Liabilities and Fund Balances	388,477	-	-	19,434	14,964	422,875

**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, 2022**

	Motor Fuel Tax	Police Forfeiture	Land Acquisition and Recreation	Exaction Fee	Fine Arts	Totals
<b>Revenues</b>						
Intergovernmental	\$ 299,703	-	-	-	-	299,703
Investment Income	353	3	-	-	3	359
Miscellaneous	-	-	-	19,434	100	19,534
<b>Total Revenues</b>	<b>300,056</b>	<b>3</b>	<b>-</b>	<b>19,434</b>	<b>103</b>	<b>319,596</b>
<b>Expenditures</b>						
Public Works	48,679	-	-	-	-	48,679
Culture and Recreation	-	-	-	-	1,361	1,361
Capital Outlay	425,000	41,196	-	-	-	466,196
<b>Debt Service</b>						
Principal Retirement	-	-	35,000	-	-	35,000
Interest and Fiscal Charges	-	-	9,580	-	-	9,580
<b>Total Expenditures</b>	<b>473,679</b>	<b>41,196</b>	<b>44,580</b>	<b>-</b>	<b>1,361</b>	<b>560,816</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>						
	<b>(173,623)</b>	<b>(41,193)</b>	<b>(44,580)</b>	<b>19,434</b>	<b>(1,258)</b>	<b>(241,220)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	44,580	-	-	44,580
Transfers Out	(152,916)	-	-	-	-	(152,916)
	<b>(152,916)</b>	<b>-</b>	<b>44,580</b>	<b>-</b>	<b>-</b>	<b>(108,336)</b>
<b>Net Change in Fund Balances</b>	<b>(326,539)</b>	<b>(41,193)</b>	<b>-</b>	<b>19,434</b>	<b>(1,258)</b>	<b>(349,556)</b>
<b>Fund Balances - Beginning</b>	<b>715,016</b>	<b>41,193</b>	<b>-</b>	<b>-</b>	<b>16,222</b>	<b>772,431</b>
<b>Fund Balances - Ending</b>	<b>388,477</b>	<b>-</b>	<b>-</b>	<b>19,434</b>	<b>14,964</b>	<b>422,875</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
Revenues				
Taxes				
Local Motor Fuel Taxes	\$ 176,112	-	(176,112)	152,916
Intergovernmental				
Motor Fuel Tax Allotments	190,729	193,224	2,495	173,542
Grants	53,239	106,479	53,240	159,718
Interest Income	480	353	(127)	683
Total Revenues	<u>420,560</u>	<u>300,056</u>	<u>(120,504)</u>	<u>486,859</u>
Expenditures				
Public Works				
Commodities	102,250	48,679	(53,571)	88,107
Capital Outlay	435,000	425,000	(10,000)	-
Total Expenditures	<u>537,250</u>	<u>473,679</u>	<u>(63,571)</u>	<u>88,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(116,690)	(173,623)	(56,933)	398,752
Other Financing (Uses)				
Transfers Out	-	(152,916)	(152,916)	-
Net Change in Fund Balance	<u>(116,690)</u>	<u>(326,539)</u>	<u>(56,933)</u>	398,752
Fund Balance - Beginning		<u>715,016</u>		<u>316,264</u>
Fund Balance - Ending		<u><u>388,477</u></u>		<u><u>715,016</u></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, 2022  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)**

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
Revenues				
Interest Income	\$ 5	3	(2)	5
Expenditures				
Public Safety				
Commodities	1,000	-	(1,000)	-
Capital Outlay	40,000	41,196	1,196	-
Total Expenditures	41,000	41,196	196	-
Net Change in Fund Balance	<u>(40,995)</u>	(41,193)	<u>(198)</u>	5
Fund Balance - Beginning		<u>41,193</u>		<u>41,188</u>
Fund Balance - Ending		<u>-</u>		<u>41,193</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, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
	Revenues			
Intergovernmental	\$ -	-	-	-
Expenditures				
Debt Service				
Principal Retirement	35,000	35,000	-	35,000
Interest and Fiscal Charges	9,580	9,580	-	11,050
Total Expenditures	44,580	44,580	-	46,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,580)	(44,580)	-	(46,050)
Other Financing Sources				
Transfers In	44,580	44,580	-	46,050
Net Change in Fund Balance	<u>-</u>	-	<u>-</u>	-
Fund Balance - Beginning		<u>-</u>		<u>-</u>
Fund Balance - Ending		<u><u>-</u></u>		<u><u>-</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2022**

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	Capital Improvements	1/2% Sales Tax	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 103,690	708,949	812,639
Receivables - Net of Allowances			
Sales Tax	-	83,613	83,613
	<hr/>		
Total Assets	103,690	792,562	896,252
	<hr/> <hr/>		
<b>LIABILITIES</b>			
Accounts Payable	7,234	10,155	17,389
<b>FUND BALANCES</b>			
Committed	96,456	782,407	878,863
	<hr/>		
Total Liabilities and Fund Balances	103,690	792,562	896,252
	<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, 2022**

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	Capital Improvements	1/2% Sales Tax	Totals
Revenues			
Taxes	\$ -	322,452	322,452
Interest Income	110	566	676
Miscellaneous	20,109	100	20,209
Total Revenues	20,219	323,118	343,337
Expenditures			
Building and Public Grounds	22,900	-	22,900
Capital Outlay	33,924	299,204	333,128
Total Expenditures	56,824	299,204	356,028
Net Change in Fund Balances	(36,605)	23,914	(12,691)
Fund Balances - Beginning	133,061	758,493	891,554
Fund Balances - Ending	96,456	782,407	878,863

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**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, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
Revenues				
Interest Income	\$ 130	110	(20)	116
Miscellaneous	-	20,109	20,109	-
Total Revenues	130	20,219	20,089	116
Expenditures				
Building and Public Grounds	-	22,900	22,900	-
Capital Outlay	38,000	33,924	(4,076)	-
Total Expenditures	38,000	56,824	18,824	-
Net Change in Fund Balance	<u>(37,870)</u>	(36,605)	<u>4,056</u>	116
Fund Balance - Beginning		<u>133,061</u>		<u>132,945</u>
Fund Balance - Ending		<u>96,456</u>		<u>133,061</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, 2022  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)**

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
Revenues				
Taxes	\$ 212,581	322,452	109,871	200,308
Interest Income	480	566	86	202
Miscellaneous	-	100	100	
Total Revenues	<u>213,061</u>	<u>323,118</u>	<u>110,057</u>	<u>200,510</u>
Expenditures				
Capital Outlay	<u>622,000</u>	<u>299,204</u>	<u>(322,796)</u>	<u>113,916</u>
Net Change in Fund Balance	<u>(408,939)</u>	23,914	<u>432,853</u>	86,594
Fund Balance - Beginning		<u>758,493</u>		<u>671,899</u>
Fund Balance - Ending		<u>782,407</u>		<u>758,493</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, 2022  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)**

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 2,141,550	2,030,205	(111,345)	2,051,971
Sale of Water Meters	4,500	11,110	6,610	6,330
Miscellaneous	1,750	25,475	23,725	6,131
Total Operating Revenues	<u>2,147,800</u>	<u>2,066,790</u>	<u>(81,010)</u>	<u>2,064,432</u>
Operating Expenses				
Personnel	472,160	339,561	(132,599)	407,195
Commodities	173,805	111,072	(62,733)	98,580
Water Purchases	856,800	806,713	(50,087)	849,040
Services	697,389	581,686	(115,703)	521,688
Capital Outlay	249,500	58,760	(190,740)	74,726
Total Operating Expenses	<u>2,449,654</u>	<u>1,897,792</u>	<u>(551,862)</u>	<u>1,951,229</u>
Operating Income (Loss)	<u>(301,854)</u>	<u>168,998</u>	<u>470,852</u>	<u>113,203</u>
Nonoperating Revenues (Expenses)				
Interest Income	1,690	953	(737)	1,815
Rental Income	21,280	21,280	-	19,901
Tap-On Fees	15,000	49,858	34,858	18,316
Principal Retirement	(105,000)	-	105,000	(1,050,000)
Interest Expense	(12,017)	(13,140)	(1,123)	(53,726)
Loss on Refunding	-	-	-	(9,148)
	<u>(79,047)</u>	<u>58,951</u>	<u>137,998</u>	<u>(1,072,842)</u>
Income (Loss) Before Transfers	<u>(380,901)</u>	<u>227,949</u>	<u>608,850</u>	<u>(959,639)</u>
Transfers Out	<u>(30,000)</u>	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>
Income (Loss) Before GAAP Adjustments	<u><u>(410,901)</u></u>	<u>227,949</u>	<u><u>638,850</u></u>	<u>(989,639)</u>
Principal Retirement		-		1,050,000
Capitalized Assets		58,760		74,726
Depreciation		<u>(497,258)</u>		<u>(499,112)</u>
Change in Net Position		<u>(210,549)</u>		<u>(364,025)</u>
Net Position - Beginning		<u>8,948,852</u>		<u>9,312,877</u>
Net Position - Ending		<u><u>8,738,303</u></u>		<u><u>8,948,852</u></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, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 494,026	496,220	2,194	491,865
Miscellaneous	500	1,635	1,135	1,000
Total Operating Revenues	<u>494,526</u>	<u>497,855</u>	<u>3,329</u>	<u>492,865</u>
Operating Expenses				
Personnel	178,627	134,526	(44,101)	148,083
Commodities	43,330	9,091	(34,239)	34,518
Services	318,021	182,074	(135,947)	152,271
Capital Outlay	287,500	30,012	(257,488)	72,706
Total Operating Expenses	<u>827,478</u>	<u>355,703</u>	<u>(471,775)</u>	<u>407,578</u>
Operating Income (Loss)	<u>(332,952)</u>	<u>142,152</u>	<u>475,104</u>	<u>85,287</u>
Nonoperating Revenues (Expenses)				
Interest Income	400	411	11	341
Tap-On Fees	14,000	15,710	1,710	-
Disposal of Capital Assets	-	(2,470)	(2,470)	58,436
	<u>14,400</u>	<u>13,651</u>	<u>(749)</u>	<u>58,777</u>
Income (Loss) Before Transfers	<u>(318,552)</u>	<u>155,803</u>	<u>474,355</u>	<u>144,064</u>
Transfers In	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>30,000</u>
Income (Loss) Before GAAP Adjustments	<u>(288,552)</u>	<u>155,803</u>	<u>444,355</u>	<u>174,064</u>
Capitalized Assets		30,012		61,059
Depreciation		<u>(457,293)</u>		<u>(458,241)</u>
Change in Net Position		<u>(271,478)</u>		<u>(223,118)</u>
Net Position - Beginning		<u>8,150,783</u>		<u>8,373,901</u>
Net Position - Ending		<u><u>7,879,305</u></u>		<u><u>8,150,783</u></u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Refuse and Recycling - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual**

**For the Fiscal Year Ended April 30, 2022**

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

	4/30/22		Variance Over (Under)	4/30/21 Actual
	Original and Final Budget	Actual		
Operating Revenues				
Charges for Services	\$ 389,776	385,151	(4,625)	384,390
Miscellaneous	76,307	-	(76,307)	-
Total Operating Revenues	<u>466,083</u>	<u>385,151</u>	<u>(80,932)</u>	<u>384,390</u>
Operating Expenses				
Services	<u>460,952</u>	<u>392,613</u>	<u>(68,339)</u>	<u>328,245</u>
Change in Net Position	<u>5,131</u>	<u>(7,462)</u>	<u>(12,593)</u>	56,145
Net Position - Beginning		<u>88,472</u>		<u>32,327</u>
Net Position - Ending		<u>81,010</u>		<u>88,472</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, 2022  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)**

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
Operating Revenues				
Charges for Services	\$ 31,000	15,417	(15,583)	4,559
Miscellaneous	50	-	(50)	96
Total Operating Revenues	<u>31,050</u>	<u>15,417</u>	<u>(15,633)</u>	<u>4,655</u>
Operating Expenses				
Commodities	14,350	338	(14,012)	15,534
Services	34,328	22,986	(11,342)	29,671
Total Operating Expenses	<u>48,678</u>	<u>23,324</u>	<u>(25,354)</u>	<u>45,205</u>
Operating Income (Loss)	(17,628)	(7,907)	9,721	(40,550)
Nonoperating Revenues				
Interest Income	97	28	(69)	92
Income (Loss) Before Transfers	(17,531)	(7,879)	9,652	(40,458)
Transfers In	-	-	-	11,750
Income (Loss) Before GAAP Adjustments	<u>(17,531)</u>	<u>(7,879)</u>	<u>9,652</u>	<u>(28,708)</u>
Depreciation		<u>(1,068)</u>		<u>(1,067)</u>
Change in Net Position		(8,947)		(29,775)
Net Position - Beginning		<u>99,508</u>		<u>129,283</u>
Net Position - Ending		<u>90,561</u>		<u>99,508</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, 2022  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2021)**

	4/30/22		Variance Over (Under)	4/30/21
	Original and Final Budget	Actual		Actual
<b>Additions</b>				
Contributions - Employer	\$ 414,000	414,000	-	335,000
Contributions - Plan Members	88,846	85,149	(3,697)	82,177
Total Contributions	502,846	499,149	(3,697)	417,177
<b>Investment Income</b>				
Interest Earned	-	309,583	309,583	448,168
Net Change in Fair Value	-	(558,373)	(558,373)	262,733
	-	(248,790)	(248,790)	710,901
Less Investment Expenses	(17,300)	(15,864)	1,436	(14,357)
Net Investment Income	(17,300)	(264,654)	(247,354)	696,544
Total Additions	485,546	234,495	(251,051)	1,113,721
<b>Deductions</b>				
Administration	7,362	8,878	1,516	5,785
Benefits and Refunds	286,189	289,812	3,623	372,797
Total Deductions	293,551	298,690	5,139	378,582
Change in Fiduciary Net Position	<u>191,995</u>	(64,195)	<u>(256,190)</u>	735,139
<b>Net Position Restricted for Pensions</b>				
Beginning		<u>4,328,643</u>		<u>3,593,504</u>
Ending		<u>4,264,448</u>		<u>4,328,643</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Special Assessment - Custodial Funds**

**Combining Statement of Fiduciary Net Position  
April 30, 2022**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Special Assessment - Custodial Funds**

**Combining Statement of Fiduciary Net Position  
April 30, 2022**

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	Special Assessment Fund #9	Special Assessment Fund #11	Special Assessment Fund #12
<b>ASSETS</b>			
Cash and Investments	\$ 123,179	37,028	187,222
<b>LIABILITIES</b>			
Accounts Payable	-	-	-
<b>NET POSITION</b>			
Net Position Restricted for Individuals, Organizations, and Other Governments	123,179	37,028	187,222

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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	89,339	28,115	64,507	1,598	1,092,654
-	-	-	-	-	-
561,666	89,339	28,115	64,507	1,598	1,092,654

**VILLAGE OF PALOS PARK, ILLINOIS**

**Special Assessment - Custodial Funds**

**Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2022**

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	Special Assessment Fund #9	Special Assessment Fund #11	Special Assessment Fund #12
Additions			
Contributions	\$ -	-	-
Interest Income	-	4	185
Total Additions	-	4	185
Deductions			
Administration	-	-	-
Change in Fiduciary Net Position	-	4	185
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning	123,179	37,024	187,037
Ending	123,179	37,028	187,222

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Special Assessment Fund #93-1	Special Assessment Fund #96-1A	Special Assessment Fund #96-1B	Special Assessment Fund #13A	Special Assessment Fund #13B	Total
-	116	471	391	-	978
245	-	1	-	-	435
245	116	472	391	-	1,413
-	-	-	-	-	-
245	116	472	391	-	1,413
561,421	89,223	27,643	64,116	1,598	1,091,241
561,666	89,339	28,115	64,507	1,598	1,092,654

**VILLAGE OF PALOS PARK, ILLINOIS**

**Consolidated Year-End Financial Report  
April 30, 2022**

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CSFA #	Program Name	State	Federal	Other	Totals
494-00-2356	Local Rebuild Illinois Bond Program	\$ 212,958	-	-	212,958
494-00-1488	Motor Fuel Tax Program	413,637	-	-	413,637
	Other Grant Programs and Activities	-	16,224	-	16,224
	All Other Costs Not Allocated	-	-	8,032,720	8,032,720
	Totals	626,595	16,224	8,032,720	8,675,539

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

October 14, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2022, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated October 14, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village’s internal control. According, we do not express an opinion on the effectiveness of the Village’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Alternate Revenue Bonds of 2021  
April 30, 2022**

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
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>895,000</u>	<u>61,803</u>	<u>956,803</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2022  
April 30, 2022**

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Date of Issue	April 12, 2022
Date of Maturity	December 1, 2041
Authorized Issue	\$3,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

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

Fiscal Year	Principal	Interest	Totals
2023	\$ 140,000	72,723	212,723
2024	105,000	108,725	213,725
2025	110,000	104,525	214,525
2026	115,000	100,125	215,125
2027	115,000	95,525	210,525
2028	120,000	90,925	210,925
2029	125,000	86,125	211,125
2030	130,000	81,125	211,125
2031	135,000	75,925	210,925
2032	140,000	70,525	210,525
2033	150,000	64,925	214,925
2034	155,000	58,925	213,925
2035	160,000	52,725	212,725
2036	165,000	46,325	211,325
2037	175,000	39,725	214,725
2038	180,000	33,600	213,600
2039	185,000	27,300	212,300
2040	190,000	20,825	210,825
2041	200,000	14,175	214,175
2042	205,000	7,175	212,175
	<u>3,000,000</u>	<u>1,251,948</u>	<u>4,251,948</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**Debt Certificates of 2006**

**April 30, 2022**

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

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

Fiscal Year	Principal	Interest	Totals
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>170,000</u>	<u>18,798</u>	<u>188,798</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**April 30, 2022 (Unaudited)**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**April 30, 2022 (Unaudited)**

	2013	2014	2015	2016
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 3,833,183	4,026,741	4,072,934	4,247,176
Restricted	1,300,144	1,285,489	1,370,146	1,035,595
Unrestricted	1,427,640	1,312,363	1,142,238	(2,891,941)
<b>Total Governmental Activities Net Position</b>	<b>6,560,967</b>	<b>6,624,593</b>	<b>6,585,318</b>	<b>2,390,830</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	19,433,528	18,781,396	18,200,951	17,547,723
Unrestricted	2,531,844	2,735,861	2,747,702	2,706,556
<b>Total Business-Type Activities Net Position</b>	<b>21,965,372</b>	<b>21,517,257</b>	<b>20,948,653</b>	<b>20,254,279</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	23,266,711	22,808,137	22,273,885	21,794,899
Restricted	1,300,144	1,285,489	1,370,146	1,035,595
Unrestricted	3,959,484	4,048,224	3,889,940	(185,385)
<b>Total Primary Government Net Position</b>	<b>28,526,339</b>	<b>28,141,850</b>	<b>27,533,971</b>	<b>22,645,109</b>

Data Source: Audited Financial Statements

\* Accrual Basis of Accounting

2017	2018	2019	2020	2021	2022
4,321,833	4,254,941	4,165,843	4,047,163	3,982,149	3,845,104
836,377	1,011,916	890,713	400,144	806,475	994,177
(3,043,625)	(3,411,839)	(3,534,851)	(3,347,219)	(2,785,006)	(1,817,946)
2,114,585	1,855,018	1,521,705	1,100,088	2,003,618	3,021,335
16,928,804	16,182,778	15,454,054	14,740,296	13,953,687	13,189,370
2,769,067	3,026,951	2,881,719	3,108,092	3,333,928	3,599,809
19,697,871	19,209,729	18,335,773	17,848,388	17,287,615	16,789,179
21,250,637	20,437,719	19,619,897	18,787,459	17,935,836	17,034,474
836,377	1,011,916	890,713	400,144	806,475	994,177
(274,558)	(384,888)	(653,132)	(239,127)	548,922	1,781,863
21,812,456	21,064,747	19,857,478	18,948,476	19,291,233	19,810,514

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
April 30, 2022 (Unaudited)

Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General Government	\$ 1,255,154	1,248,865	1,082,473	1,025,499	721,192	895,776	698,093	713,486	534,585	265,203
Public Safety	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	2,577,763
Public Works	480,874	742,048	1,000,130	704,318	576,081	603,189	1,207,602	742,161	656,183	1,426,442
Building and Public Grounds	-	-	-	688,816	498,089	565,910	549,017	549,323	505,500	537,635
Culture and Recreation	364,858	565,181	483,981	562,906	516,908	459,347	467,237	474,916	204,633	298,901
Interest on Long-Term Debt	43,988	35,460	24,007	16,953	15,671	14,456	13,227	11,899	10,438	86,465
Total Governmental Activities Expenses	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	5,192,409
Business-Type Activities										
Water	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	2,349,430
Sewer Maintenance	-	-	-	771,114	781,918	777,810	886,842	831,967	746,324	785,454
Refuse and Recycling	296,803	303,759	310,069	316,838	354,417	357,510	360,784	387,281	328,245	392,613
Commuter Parking Lot	86,729	90,762	80,204	81,690	82,748	66,503	90,327	85,780	46,272	24,392
Total Business-Type Activities Expenses	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	3,551,889
Program Revenues	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	8,744,298
Governmental Activities										
Charges for Services										
General Government	711,316	651,345	500,102	503,771	426,234	409,710	411,870	407,059	467,987	436,586
Public Safety	124,343	148,039	184,911	106,261	85,555	140,327	199,701	187,415	63,530	62,430
Public Works	12,583	11,174	-	-	-	-	-	-	-	-
Culture and Recreation	171,763	187,498	144,435	163,568	219,006	164,345	212,517	199,368	186,173	140,380
Operating Grants/Contributions	202,430	331,191	145,937	123,981	122,854	123,759	123,039	191,362	517,594	519,073
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	1,222,435	1,329,247	975,385	897,581	853,649	838,141	947,127	985,204	1,235,284	1,158,469
Business-Type Activities										
Charges for Services										
Water	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	2,066,790
Sewer Maintenance	-	-	-	470,470	470,878	495,186	476,208	485,401	492,865	497,855
Refuse and Recycling	322,194	328,314	334,112	339,892	345,398	356,056	360,211	370,396	384,390	385,151
Commuter Parking Lot	87,093	87,443	88,986	97,095	101,901	91,885	103,301	95,484	4,655	15,417
Total Business-Type Act. Program Rev.	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	2,965,213
Total Primary Gov't Program Revenues	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	4,123,682

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(4,033,940)
Business-Type Activities	(482,632)	(463,441)	(565,149)	(490,662)	(639,165)	(581,043)	(717,789)	(625,277)	(612,988)	(586,676)
Total Primary Gov't Net (Expense) Revenue	(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)	(4,620,616)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	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	1,586,067
Local Sales	855,009	846,009	819,655	165,167	194,529	199,931	210,717	197,990	200,308	322,452
Utility	535,051	507,016	525,275	442,551	442,015	421,304	445,823	393,704	391,033	434,069
Other Taxes	243,637	233,195	236,261	272,394	162,083	207,021	210,148	167,047	322,855	265,943
Intergovernmental - Unrestricted										
State Sales Tax	-	-	-	624,675	782,615	805,558	846,293	866,394	936,706	1,187,419
State Income Tax	393,386	436,814	472,322	516,556	458,162	439,535	470,590	525,339	555,647	700,890
Replacement Tax	-	-	-	-	-	-	-	12,994	12,252	28,481
Interest Income	14,298	6,034	(2,121)	5,543	20,730	43,014	47,291	34,575	12,385	5,660
Miscellaneous	29,815	39,355	51,790	524,000	460,950	496,227	545,541	476,728	508,302	520,676
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	3,395,725	3,286,892	3,410,210	3,892,868	3,833,036	3,953,358	4,374,202	4,061,855	4,349,901	5,051,657
Business-Type Activities										
Interest Income	6,587	2,574	(1,279)	751	1,544	2,546	2,337	1,961	2,248	1,392
Miscellaneous	-	14,364	55,715	38,568	81,213	90,355	67,516	72,716	38,217	86,848
Transfers	(4,110)	(4,110)	(39,110)	(30,000)	-	-	(175,000)	63,215	11,750	-
Total Business-Type Activities	2,477	12,828	15,326	9,319	82,757	92,901	(105,147)	137,892	52,215	88,240
Total Primary Government	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	5,139,897
Changes in Net Position										
Governmental Activities	397,011	(59,692)	(318,472)	(906,332)	(276,245)	(259,567)	(174,258)	(421,617)	903,530	1,017,717
Business-Type Activities	(480,155)	(450,613)	(549,823)	(481,343)	(556,408)	(488,142)	(822,936)	(487,385)	(560,773)	(498,436)
Total Primary Government	(83,144)	(510,305)	(868,295)	(1,387,675)	(832,653)	(747,709)	(997,194)	(909,002)	342,757	519,281

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, 2022 (Unaudited)**

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	2013	2014	2015
General Fund			
Nonspendable	\$ 62,707	54,255	50,988
Restricted	-	-	276,732
Unassigned	1,452,159	1,438,325	1,250,633
Total General Fund	1,514,866	1,492,580	1,578,353
All Other Governmental Funds			
Restricted	1,300,144	1,285,489	1,093,414
Committed	-	-	-
Assigned	127,629	39,925	39,925
Unassigned	-	-	-
Total All Other Governmental Funds	1,427,773	1,325,414	1,133,339
Total All Governmental Funds	2,942,639	2,817,994	2,711,692

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Data Source: Audited Financial Statements

\* Modified Accrual Basis of Accounting

2016	2017	2018	2019	2020	2021	2022
54,283	161,464	166,918	191,097	228,724	308,957	373,055
276,324	3,965	4,415	5,178	5,704	50,266	168,821
1,015,120	1,152,948	1,179,620	1,397,433	1,182,288	1,683,111	2,285,286
1,345,727	1,318,377	1,350,953	1,593,708	1,416,716	2,042,334	2,827,162
759,271	832,412	1,007,501	885,535	394,440	756,209	3,795,488
-	-	-	-	804,844	891,554	878,863
30,054	33,392	24,089	19,208	16,040	16,222	14,964
-	(32,257)	(32,441)	(32,441)	-	-	-
789,325	833,547	999,149	872,302	1,215,324	1,663,985	4,689,315
2,135,052	2,151,924	2,350,102	2,466,010	2,632,040	3,706,319	7,516,477

**VILLAGE OF PALOS PARK, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**April 30, 2022 (Unaudited)**

	2013	2014	2015
<b>Revenues</b>			
Taxes	\$ 2,133,625	2,194,108	2,185,689
Intergovernmental	1,305,910	1,451,972	1,287,008
Licenses and Permits	459,802	372,638	500,102
Charges for Services	59,346	73,253	144,435
Fees by Agreement	379,232	403,583	-
Fines and Forfeitures	120,507	147,158	184,911
Interest Income	6,034	(2,121)	3,361
Miscellaneous	39,355	51,790	420,622
Total Revenues	<u>4,503,811</u>	<u>4,692,381</u>	<u>4,726,128</u>
<b>Expenditures</b>			
General Government	604,675	620,088	567,323
Public Safety	1,960,561	2,037,855	2,101,895
Public Works	515,661	700,175	607,660
Building and Public Grounds	550,995	549,108	448,021
Culture and Recreation	356,397	556,380	471,341
Capital Outlay	63,830	85,922	430,624
Debt Service			
Principal Retirement	275,239	276,782	332,910
Interest and Fiscal Charges	43,988	37,792	31,320
Total Expenditures	<u>4,371,346</u>	<u>4,864,102</u>	<u>4,991,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>132,465</u>	<u>(171,721)</u>	<u>(264,966)</u>
<b>Other Financing Sources (Uses)</b>			
Transfer In	118,220	133,220	168,349
Transfer Out	(114,110)	(94,110)	(133,349)
Debt Issuance	-	-	-
Premium on Debt Issuance	-	-	-
Disposal of Capital Assets	1,406	7,966	-
	<u>5,516</u>	<u>47,076</u>	<u>35,000</u>
Net Change in Fund Balances	<u>137,981</u>	<u>(124,645)</u>	<u>(229,966)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>7.62%</u>	<u>6.63%</u>	<u>7.47%</u>

Data Source: Audited Financial Statements

\* Modified Accrual Basis of Accounting

2016	2017	2018	2019	2020	2021	2022
2,192,094	2,110,579	2,169,024	2,289,487	2,222,034	2,336,359	2,608,531
1,265,212	1,363,631	1,368,852	1,439,922	1,583,095	2,022,199	2,435,863
503,771	426,234	409,710	411,870	407,059	467,987	436,586
163,568	219,006	164,345	212,517	199,368	186,173	140,380
-	-	-	-	-	-	-
106,261	85,555	140,327	199,701	187,415	63,530	62,430
5,543	20,730	43,014	47,291	34,575	12,385	5,660
524,000	460,950	496,227	545,541	476,728	508,302	520,676
4,760,449	4,686,685	4,791,499	5,146,329	5,110,274	5,596,935	6,210,126
870,967	661,854	705,120	633,516	611,927	633,434	537,384
2,233,001	2,172,075	2,201,816	2,283,579	2,460,261	2,378,302	2,460,217
581,525	544,366	585,635	652,736	654,260	622,123	653,371
688,816	541,512	411,155	544,111	549,323	505,500	537,635
546,696	513,331	471,644	460,306	460,800	189,588	283,383
399,932	190,500	172,985	627,431	96,952	135,909	914,683
33,921	30,000	30,000	30,000	35,000	35,000	35,000
17,449	16,175	14,966	13,742	12,506	11,050	82,234
5,372,307	4,669,813	4,593,321	5,245,421	4,881,029	4,510,906	5,503,907
(611,858)	16,872	198,178	(99,092)	229,245	1,086,029	706,219
246,588	56,175	36,331	178,742	47,506	51,310	197,496
(216,588)	(56,175)	(36,331)	(3,742)	(110,721)	(63,060)	(197,496)
-	-	-	-	-	-	3,000,000
-	-	-	-	-	-	103,939
5,218	-	-	40,000	-	-	-
35,218	-	-	215,000	(63,215)	(11,750)	3,103,939
(576,640)	16,872	198,178	115,908	166,030	1,074,279	3,810,158
1.02%	1.04%	1.00%	0.84%	0.98%	1.04%	2.20%

## VILLAGE OF PALOS PARK, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2022 (Unaudited)

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Valuation
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
2021	N/A	N/A	N/A	N/A

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.)

N/A - The 2021 tax levy extension is not available as of the date of this report.

Railroad Valuation	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 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%
N/A	N/A	N/A	N/A	N/A

**VILLAGE OF PALOS PARK, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2022 (Unaudited)**

	2012	2013	2014
<b>Village Direct Rates</b>			
General	\$ 0.4410	0.4710	0.4904
Illinois Municipal Retirement	0.0500	0.0570	0.0640
Police Protection	0.0640	0.0720	0.0812
<b>Total Direct Rates</b>	<b>0.5550</b>	<b>0.6000</b>	<b>0.6356</b>
<b>Overlapping Rates</b>			
School Districts	5.5270	6.0050	6.3060
Library	0.1800	0.1950	0.2070
County	0.6080	0.6760	0.6540
Fire Protection District	1.0470	1.0470	1.2010
Township	0.1080	0.1180	0.1250
South Palos Sanitary District *	0.3920	0.3610	0.4060
MWRD	0.3700	0.4170	0.4300
<b>Total Overlapping Rates</b>	<b>8.2320</b>	<b>8.8190</b>	<b>9.3290</b>
<b>Total Direct and Overlapping Rates</b>	<b>8.7870</b>	<b>9.4190</b>	<b>9.9646</b>

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

N/A - The 2021 tax levy extension is not available as of the date of this report.

2015	2016	2017	2018	2019	2020	2021
0.5027	0.4767	0.4039	0.4266	0.4322	0.4064	N/A
0.0708	0.0732	0.0679	0.0728	0.0796	0.0747	N/A
0.0900	0.0931	0.0862	0.0926	0.1012	0.0949	N/A
0.6635	0.6430	0.5580	0.5920	0.6130	0.5760	N/A
6.5100	11.1930	9.7710	10.2520	10.5270	9.7800	N/A
0.2160	0.2100	0.1820	0.2250	0.5300	0.4810	N/A
0.6720	1.4660	0.6050	0.5660	0.5610	0.5280	N/A
1.2550	2.1330	1.8550	1.9830	2.0430	1.9150	N/A
0.1330	0.9320	0.8010	0.8500	0.3690	0.3330	N/A
0.4210	0.4090	0.3450	0.3660	0.3770	0.3470	N/A
0.4260	0.4060	0.4020	0.3960	0.3890	0.3780	N/A
9.6330	16.7490	13.9610	14.6380	14.7960	13.7620	N/A
10.2965	17.3920	14.5190	15.2300	15.4090	14.3380	N/A

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago  
April 30, 2022 (Unaudited)**

Taxpayer	2021			2014		
	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%
<b>Total</b>	<b>35,120,821</b>		<b>13.30%</b>	<b>22,464,826</b>		<b>10.03%</b>

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

Notes:

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

The information shown is the most current available.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2022 (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
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%	777,522	1,483,510	97.65%
2022	1,547,702	784,062	50.66%	-	784,062	50.66%

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, 2022 (Unaudited)**

Fiscal Year	Governmental Activities			
	Debt Certificates	Installment Notes Payable	General Obligation Bonds	General Obligation Bonds
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
2022	170,000	-	3,000,000	895,000

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.

N/A - not available

Business-Type Activities					
Installment Notes Payable	Public Benefit Debt	Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (2)	
\$ 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	0.62%	306.38	
-	-	1,290,000	0.54%	266.14	
-	-	1,205,000	0.46%	245.97	
-	-	4,065,000	N/A	829.76	

**VILLAGE OF PALOS PARK, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2022 (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	General Obligation Bonds	General Obligation Bonds				
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	
2022	170,000	3,000,000	895,000	-	4,065,000	N/A	829.76	

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.

N/A - not available

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
April 30, 2022 (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	\$ 3,170,000	100.00%	\$ 3,170,000
<b>Overlapping Debt</b>			
Cook County	2,425,146,750	0.152%	3,690,596
Cook County Forest Preserve District	119,775,000	0.152%	182,274
Metropolitan Water Reclamation District	2,759,628,416 (3)	0.155%	4,272,048
Lemont Public Library	1,775,000	100.000%	1,775,000
Lemont Park District	5,490,000	1.140%	62,566
South Palos Twp. Sanitary District	160,000	6.111%	9,778
<b>Schools</b>			
Comm. Consolidated School Dist. 118	4,835,000	28.545%	1,380,159
High School District 210	29,140,000	1.140%	332,090
High School Dist. 230	23,190,000	4.685%	1,086,504
Community College 524	36,100,000 (2)	2.256%	814,593
Community College 525	50,030,000 (2)	0.050%	25,162
<b>Total Overlapping Debt</b>	<u>5,455,270,166</u>		<u>13,630,769</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>5,458,440,166</u></u>		<u><u>16,800,769</u></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.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

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	2013	2014	2015	2016
Legal Debt Limit	\$ 19,326,057	18,210,667	17,511,235	16,993,726
Total Net Debt Applicable to Limit	2,055,000	1,925,000	1,790,000	365,000
Legal Debt Margin	17,271,057	16,285,667	15,721,235	16,628,726
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.63%	10.57%	10.22%	2.15%

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.

2017	2018	2019	2020	2021	2022
17,752,498	21,851,383	21,124,049	20,533,072	22,567,163	22,772,163
335,000	305,000	275,000	240,000	205,000	170,000
17,417,498	21,546,383	20,849,049	20,293,072	22,362,163	22,602,163
1.89%	1.40%	1.30%	1.17%	0.91%	0.75%

Legal Debt Margin Calculation for Fiscal Year 2022

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>170,000</u>
Legal Debt Margin	<u>22,602,163</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Pledged Revenue Coverage - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

Fiscal Year	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022	2,138,881	1,839,032	299,849	105,000	13,140	2.54

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, 2022 (Unaudited)

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2022	4,899	311,086,500	63,500	2.30%

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Employers - Prior Fiscal Year and Nine Fiscal Years Ago  
April 30, 2022 (Unaudited)**

Employer	2022		2014	
	Rank	Percentage of Total Village Employment	Rank	Percentage of Total Village Employment
Cog Hill Golf Course	1	12.16%		
Jewel Osco	2	7.58%	1	4.02%
Symphony Care Netowrk	3	5.64%	2	3.44%
Palos Community School District #118	4	4.06%		
Village of Palos Park	5	2.27%	4	1.71%
Sunrise Assisted Living	6	1.85%	3	2.06%
Palos Fire Protection District	7	1.67%		
Children's Farm At The Center	8	1.52%		
Re/Max 10	9	1.12%		
Walgreens	10	0.76%	7	0.58%
Hackney's			5	1.03%
Francesca's			6	0.95%
McDivott's			8	0.27%
Standard Bank			9	0.19%
		<u>38.63%</u>		<u>14.25%</u>

Note: Reference USA / Data Axle U.S. Business Database, phone verification, as of July 28, 2022. Telephone canvass of employers performed in 2014. Top 9 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, 2022 (Unaudited)**

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**See Following Page**

## VILLAGE OF PALOS PARK, ILLINOIS

### Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Function/Program	2013	2014	2015
General Government			
Administration	4.30	4.30	4.30
Building and Zoning	3.50	3.50	3.50
Finance	1.50	1.50	1.50
Police			
Officers FT	9.00	9.00	9.00
Officers PT	24.00	24.00	20.00
Civilians	2.00	2.00	2.00
Public Works			
Water Department	4.60	4.60	4.60
Sewer Department	1.40	1.40	1.40
Street Maintenance	4.50	4.50	4.50
Recreation	3.00	3.00	3.00
Totals	57.80	57.80	53.80

Data Source: Village Finance Department Payroll

2016	2017	2018	2019	2020	2021	2022
4.30	4.30	4.30	4.00	4.50	4.00	4.10
3.50	3.50	3.50	3.50	3.50	3.13	3.00
1.50	1.50	1.50	1.50	1.50	1.46	1.46
9.00	9.00	9.00	9.00	12.00	12.00	11.00
23.00	23.00	23.00	23.00	20.00	4.68	4.94
2.00	2.00	2.00	2.00	2.00	2.52	2.42
4.60	4.60	4.60	4.60	4.60	4.53	4.25
1.40	1.40	1.40	1.40	1.91	1.68	2.50
4.50	4.50	4.50	4.50	4.50	4.39	5.50
3.00	3.00	3.00	3.00	4.00	4.00	4.00
56.80	56.80	56.80	56.50	58.51	42.39	43.17

**VILLAGE OF PALOS PARK, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

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Function/Program	2013	2014	2015
Public Safety			
Police			
Physical Arrests	183	202	211
Parking Violations	982	997	1,198
Traffic Violations	953	956	1,925
Public Works			
Street Resurfacing (Miles)	0.80	0.90	1.19
Pothole Repairs	80-140	722	1,524
Water			
New Connections	2	8	4
Water Main Breaks	4	44	12
Average Daily Consumption (1)	501,000	437,000	407,813
Peak Demand	823,000	702,000	708,000

Data Source: Appropriate Village Department

(1) Average Gallons per Day

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

2016	2017	2018	2019	2020	2021	2022
240	136	223	257	111	51	39
1,048	728	1,359	1,260	1,002	700	591
864	470	687	517	450	202	174
1.30	0.10	0.50	20.13	-	-	3.75
2,769	150-175	4,165	6,497	600	655	627
5	4	10	5	6	9	7
15	8	11	7	4	12	22
402,186	408,000	425,000	429,132	425,191	469,000	373,000
750,000	684,000	725,000	810,000	765,000	979,000	920,000

**VILLAGE OF PALOS PARK, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2022 (Unaudited)**

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Function/Program	2013	2014	2015
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	731	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.

2016	2017	2018	2020	2021	2022
1 8	1 8	1 8	1 8	1 8	1 8
14.70	14.70	14.70	14.70	14.70	14.70
52 731 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