

# VILLAGE OF PALOS PARK, ILLINOIS

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT



VILLAGE OF  
PALOS PARK

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2015

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ANNUAL FINANCIAL REPORT**

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APRIL 30, 2015**

Prepared by:  
Finance Department

Barbara Maziarek  
Finance Director

**VILLAGE OF PALOS PARK, ILLINOIS**

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## **INTRODUCTORY SECTION**

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

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



## **VILLAGE OF PALOS PARK**

### **PRINCIPAL OFFICIALS**

**APRIL 30, 2015**

**JOHN F. MAHONEY**

*Mayor*

**MARIE ARRIGONI**

*Village Clerk*

### **BOARD OF COMMISSIONERS**

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

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

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

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

### **ADMINISTRATION**

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

### **DEPARTMENT DIRECTORS**

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

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

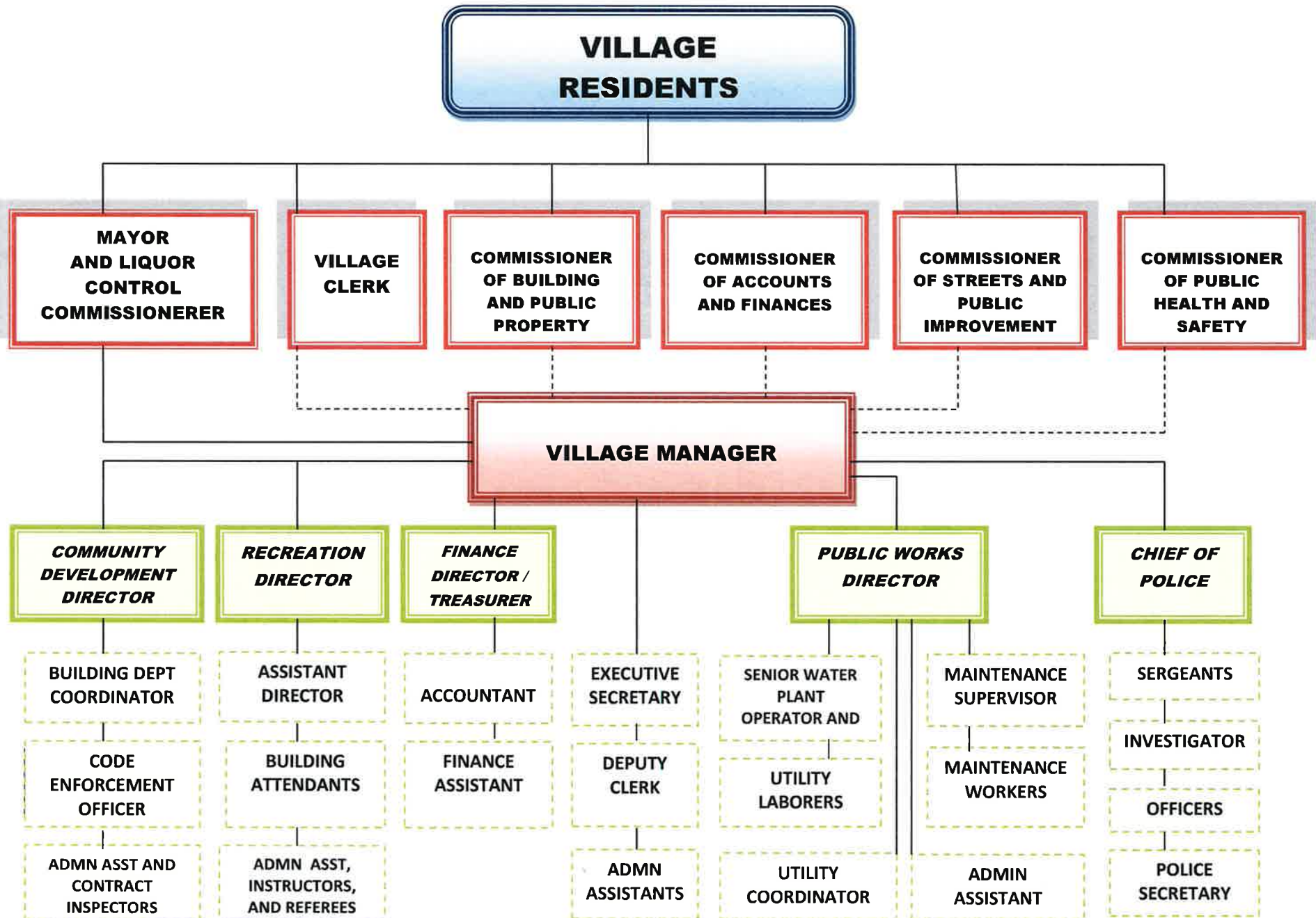
**LeeAnn Fisk** - *Recreation Director*

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

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

# VILLAGE OF PALOS PARK

# ORGANIZATIONAL CHART





VILLAGE OF  
**PALOS PARK**

JOHN F. MAHONEY  
Mayor

September 9, 2015

JAMES PAVLATOS  
Accounts & Finances

NICOLE MILOVICH-WALTERS  
Public Works & Streets, Recreation

DAN POLK  
Public Health & Safety

G. DARRYL REED  
Building & Public Property

MARIE ARRIGONI  
Village Clerk

RICHARD B. BOEHM  
Village Manager

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Palos Park, Illinois for the year ended April 30, 2015 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 United States Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts.

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

The Village's financial statements have been audited by Lauterbach and Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended April 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Village of Palos Park is pleased to report that the independent audit firm Lauterbach and Amen, LLP has issued an unmodified ("clean") opinion on the Village's financial statements for the year ended April 30, 2015. The independent auditor's report is located at the front of the financial section of the CAFR.

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

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

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

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

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

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

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

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

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

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

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

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

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

The economy locally; as well as, at the county, state, and national level is still in weak recovery with growth projected to be only 2.5% for the year. In fiscal year 2015, the Village continued to face some financial challenges, with negative impacts to many of our tax collections. The Village continued its fiscally conservative practice in its budget goals as a result of the continued economic downturn and decreasing revenue trends. Department Directors aimed to establish a fund balance surplus, while conservatively estimating revenues and expenditures in the budget for the fiscal year. As with much of the state and county, the Village is experiencing the challenge of providing new and improved services to residents while facing expanded federal and state mandates in a declining revenue environment.

Several major revenue sources declined as a result of the economy. Fortunately, the Village's conservative budgeting, maintenance of fund balance reserves, along with a strategic planning process enable the Village to end the fiscal year with adequate reserves intact. General Fund revenues increased overall by 4.6% in FY15 to \$4,303,478. In addition, sales tax increased by 41.08%, utility taxes decreased by 8.63%; as well as, revenue from property taxes collections increased by 1.83%, permit fees increased by 34.21%, and state income tax decreased by 26.64% as compared to the prior fiscal year.

General Fund operating expenditures increased in FY15 by \$188,672 to a total of \$4,373,859 as compared to the prior fiscal year. This 4.51% increase in expenditures was due to increased spending for health insurance costs for the employees, legal fees, and contractual services; as well as, increased spending in Public Safety, Public Works, Capital Outlay, Debt Service, and Culture and Recreation Departments in the fiscal year. Reductions in General Government, Public Affairs, Finance, and Public Grounds expenditures helped reduce overall spending. Unfortunately, this increase in spending produced a deficit at the close of the fiscal year, creating a reserves reduction in the General Fund in the amount of \$37,891.

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

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

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

As of April 30, 2015, Palos Park held an unreserved, unassigned fund balance of \$1,250,633 that is equal to 29.35% of FY15 Budgeted Expenditures. Village policy is to maintain at least 25% of unreserved fund balance, with a goal of 40%. Several tools are utilized for long-term financial planning, including five-year budget projections, and a five-year capital improvement plan for equipment and infrastructure.

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

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

All major improvements have been delayed another year due to the economy and current year budget concerns in the General Fund. Each year during the budget process, the Village Department Directors prepares their departments' goals and designated projects for the coming fiscal year. These goals and projects are detailed below by department.

### ***ADMINISTRATION DEPARTMENT Goals and Projects FY 2015***

#### ***PERSONNEL***

- Continue reviewing staffing in Departments
- Refine a Village wide employee performance evaluation system
- Continue identifying professional development for staff especially supervisor training
- Continue to look for reorganization and consolidation of duty opportunities within departments
- Establish a working employee Safety Committee
- Work with employee committee to increase visibility and programming and participate as a member
- Continue to expand the employee Fitness and Wellness Program
- Continue to update the Village's Manual of Personnel Policies
- Negotiate a contract with MAP

#### ***COMMUNICATIONS***

- Continue working toward a new more user friendly Village website; attempt to have new by 2015
- Keep business and residents on and near LaGrange Road advised of impending construction
- Continue to Improve communications and build on positive relationships with surrounding municipalities and its staff
- Continue weekly Department Director meetings
- Improve communications with residents through newsletter, website, Facebook, Constant Contact and other means
- Continue to encourage departments to work together for the good of all
- Work with different groups and organizations in the community to assist them in meeting their objectives in service to the community

### ***ANNEXATIONS***

- Continue to negotiate and seek to finalize annexations west of current Village boundaries
- Conduct studies deemed needed to negotiate agreements in best interest of the Village
- Continue the evaluation and planning for extension of utility services to new territory
- Continue to encourage annexation of Com Ed lines to the west
- Complete 131<sup>st</sup> Street Standard Bank annexation

### ***LEGAL***

- Track all legal expenses of the Village
- Continue to work with staff and Village Attorney to keep the municipality out of costly litigation

### ***PUBLIC PROPERTY***

- Continue working with consultant and other communities to bring about the construction of the Palos Park portion of the Cal-Sag Trail; trail construction to begin Summer 2014, expected completion by Fall, 2014 or Spring, 2015
- Negotiate a vendor lease at Metra Station with new vendor
- Review the necessity and potential to hire mechanical/building engineer to manage Village buildings i.e, Kaptur, Recreation and Village Garage
- Implement improvements for 5 acre park at Holy Family, plan for opening during centennial year.
- Continue to implement improvements at Kaptur Center, Recreation Center (Community House)
- Continue to review potential improvement of the 123<sup>rd</sup> Street and 86<sup>th</sup> Avenue intersection including a roundabout
- Establish a Centennial Garden

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

- Administer the Municipal Electric Aggregation Program including potential extension in June, 2015
- Improve the retrieval process of Village records
- Examine the feasibility of implementing document management through GIS
- Analyze operations by department and look for potential savings

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

- Work with IDOT contractor on implementation of LaGrange Road landscape plan
- Signalize intersection of Creek Road and LaGrange Road to be completed with US 45 widening project
- Continue to promote bike and trail plans in Village of Palos Park and oversee process of construction of Cal Sag Trail path and trailhead

### ***ECONOMIC DEVELOPMENT***

- Work with commercial ownership to fill space with tenants the Village desires
- Feature businesses on website
- Create a better economic development portion of website
- Continue support of businesses thru Palos Area Chamber of Commerce
- Outreach efforts to other business organizations and groups
- Continue to evaluate economic development efforts with ICSC
- Continue outreach and communications with businesses
- Consider development on No Cash Bid Parcels, Schroeder Property, re-development around Metra Station and along LaGrange Road
- Look for opportunities to plan development on properties to be annexed

### ***FINANCE***

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

### ***INSURANCE / LIABILITY***

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

### ***SPECIAL EVENTS***

- Work with Palos Fine Arts and staff in planning and hosting the annual *Concert in the Park* event
- Continue to work on all aspects of the *Autumn In The Park Festival* is scheduled for September 18-19, 2015
- Look for more opportunities to provide additional summer community activities on the Village Green
- Work to assure a successful Centennial Gala to be held on November 7, 2014
- Establish a time capsule to commemorate the Centennial and have it dedicated on a date near the actual centennial anniversary

***BUILDING DEPARTMENT***  
***Goals and Projects FY 2015***

***PLANNING***

- Update Comprehensive Plan for west sector
- Participate in multi-community coalition guiding Cal Sag Trail planning
- Participate in southwest community coalition guiding regional bikeway planning
- Update Zoning Map
- Update Street Map

***ANNEXATIONS***

- Assist in negotiating annexation agreements and coordinating public hearings

***DEVELOPMENT ASSISTANCE***

- Assist businesses with information on construction, remodeling, and upgrades
- Promote the available land and building space to prospective new businesses
- Outreach to developers and contractors – host event

***GRANTS***

- Continue to look for grant opportunities for the Village

***ADVISORY GROUPS***

- Support the Plan Commission, Zoning Board of Appeals, and the Historic Preservation Commission
- Update the Plan Commission, ZBA, and HPC application forms

***CODE UPDATES***

- Amend fence regulations
- Amend zoning regulations pertaining to medical cannabis cultivation centers and medical cannabis dispensing organizations
- Amend code standards for west sector plans
- Review building code for possible amendments

***COMPLIANCE***

- Continue functions of construction and property maintenance code compliance; including contractor registration, plan review, permitting, inspection, and enforcement
- Update application forms, information aides, and educational assistance to owners and builders
- Upgrade staff capabilities through training, seminars, and certifications
- Set up a resident self-inspection program via the newsletter, website, or cable channel
- Set up a business license yearly inspection process and education

***PUBLIC GROUNDS***

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

## ***FINANCE DEPARTMENT***

### ***Goals and Projects FY 2015***

- Receive the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for FY2014.
- Prepare document for GFOA's Distinguished Budget Presentation Award for Fiscal Year 2015.
- Institute a program in which each department head works with his or her commissioner to define goals for the upcoming fiscal year and then present the report to the full Council.
- Institute a program in which each department head takes the previous year's goals and describes what was or was not accomplished on each item.
- Increase information in Quarterly Treasurer's Report and monthly financial cash position.
- Revamp the utility billing procedure and possibly the utility billing section of the Village Code to increase both efficiency and account receivables, with the longer-term goal of having the utility billing section of the Finance Department fund itself.
- Create a process for tracking sales receipts of businesses in sales tax rebate agreements and bring the accounts payable in these accounts current.
- Research all closed Special Assessments that still have positive fund balances to see if there were any receipts that were not properly attributed to that fund in an effort to reduce the fund balance and bring the monies into the General Fund, Sewer Fund, or Water Fund.
- Examine inconsistencies between the personnel manual and the Village Code with respect to work week hours, overtime, and comp time. Work with the Village Manager to make a recommendation to the Village Council to upgrade these documents to both resolve these differences and to reflect current trends.
- Make a new timesheet spreadsheet for all employees to enable more accurate and uniform recording of hours worked and to reduce internal payroll processing time.
- Create a new comp time tracking spreadsheet for full-time exempt employees to more accurately track hours that may roll off due to the 35 hour or 90 day maximums.
- Continue to receive an unqualified audit opinion and minimal management letter comments.

***POLICE DEPARTMENT  
Goals and Projects FY 2015***

- **Field patrol staff**, we would seek to fill one full time sworn vacancy with additional sworn officer for coverage during peak periods.
- Continued successful allocation of **asset forfeiture funds** from the D.E.A. to support and fund key patrol and investigative enhancements for our patrol staff.
- **Build and support our Emergency Management Agency** with support, training, equipment, and staff for deployment as a fully functional and operating agency.
- **Patrol area coverage** remains a key balancing challenge; ensuring patrol beat coverage and response time over a large patrol area, with at times two patrol officers. Work to maintain three sworn personnel on each shift 24/7 consistently.
- **Local Adjudication Hearings:** Continue implementing a fully functional local adjudication process.
- **Administrative Tow Fees/ Hearings:** This will be part of the Local Adjudication with an *administrative fee* component. The ordinances are now in place and we are well underway.
- **SWCD** (South West Central Dispatch) 911 system up-grade with in car laptops for in car / laptop police reporting, E tickets, E Crash reports, and voice recognition all within the patrol unit; thereby, reducing patrol officer at station *down time*.
- **Cost Recovery strategy** and optimal use of the concept for police resource allocation for special or extraordinary non village events and occurrences by seeking payments for service (s) rendered outside the normal scope of patrol or investigative duties. In essence, billing for one's conscious actions which have had economic consequences to Palos Park.
- **Palos Park Police Department Safe Shield Principles:** The Palos Park Police Departments Officer Safety Program includes eight principles for a safe work environment by design and structure. Our primary goal is enhancing officer safety.

***PUBLIC WORKS DEPARTMENT  
Goals and Projects FY 2015***

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

- Continue to develop a long term capital improvement program for Village streets by repair and replacement and improving roadway safety and drivability Village wide
- Continue implementing the sign replacement program to meet new state mandated requirements

- Continue to work with Tree Body to complete Tree Specifications Manual
- Continue efforts to alleviate storm water conveyance system inadequacies
- Identify additional equipment needed to perform required maintenance
- Identify equipment upgrades due to age of equipment or lack of performance
- Continue training for professional development of Public Works staff
- Offer training opportunities to staff to sharpen skills and acquire additional skills
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training

**FUND 01 – Department 27 – PUBLIC GROUNDS / PUBLIC BUILDINGS**

- Continue to improve the baseball field on the Village Green by adding and/or replacing surface with properly mixed dirt
- Continue to explore possibilities to repair and or replace block retaining wall along 123<sup>rd</sup> street sidewalk
- Continue to maintain public grounds and buildings

**FUND 23 – ½% SALES TAX**

- Complete scheduled drainage projects
- Purchase equipment and tools necessary for street repairs and drainage projects
- Design and implement a Paving Program

**FUND 24 -- MOTOR FUEL TAX**

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

**FUND 51 -- SEWER FUND**

- Continue monitoring of sewer system to locate infiltration and inflow issues and implement long term plan for repair or elimination to stay ahead of new limitations proposed by IEPA and MWRDGC
- Begin smoke testing in areas where infiltration has been identified
- Continue to maintain and update information to GIS system including linking videos of televised sewers
- Continue to find permanent solutions to continual problems with sewage lift stations including retrofitting existing pumps to be more efficient and handle larger solids, pump replacement, trash collection systems, and installation of on-site natural gas generators
- Continue to monitor on-site sanitary systems in compliance with IEPA regulations
- Offer training opportunities to staff to sharpen skills and acquire additional skills
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training
- Improve communication with private sewage disposal system owners

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

- Maintain and improve capability of Village water distribution system
- Continue to maintain and update information to GIS system
- Continue to replace older customer water meters as they approach 20 year mark
- Continue to replace MIU reading devices to MXU reading devices
- Continue fire hydrant maintenance program
- Utilize the information provided in the water distribution study to plan for long-term improvements to our system and provide data for the next water rate study
- Utilize the information provided in the water distribution study to engineer and plan for possible expansion
- Continue to utilize Public Work's staff to identify and complete needed repairs when possible
- Offer training opportunities to staff to sharpen skills and acquire additional skills
- Continue to stress the importance of working productively in a safe working environment with tool box talks and training
- Increase accountability for water usage

## ***RECREATION DEPARTMENT***

### ***Goals and Projects FY 2015***

#### ***ADMINISTRATIVE***

- Continue to evaluate and search for cost savings for the Recreation Department budget
- Set employee meetings and training schedule throughout the year
- Develop and implement a Building Attendant Manual
- Improve customer satisfaction for programs and rentals
- Work with other entities in the community and develop a relationship that helps each other (e.g. McCord House, The Power)
- Develop a plan of how the Recreation Department can participate and offer a means of serving those who cannot participate in conventional recreation programs

#### ***PROGRAMMING***

- Offer more community events bringing the entire family together
- Offer creative programs and alternatives not to compete but compliment the community
- Focus on teens and reconnect with the junior high students
- Increase marketing utilizing all media outlets, keeping the Recreation Department offerings in the forefront
- Implement a unique birthday party service to increase rentals
- Offer new programming at the new Centennial Park

#### ***MAINTENANCE***

- Continue to identify areas in and out of the facility in need of maintenance and cleaning.
- Work with the Beautification Committee to add landscaping to the east side of the building
- Construct a new front entrance
- Add Wi-Fi for customers and guests of the Community Center Building
- Add new wireless head set system for fitness and theater classes
- Research a more cost efficient and up-dated security system for the Community Center

## ***RENTALS***

- Research ways to rent out the gym and rooms filling the dead time in the building
- Partner with the Chicago Convention and Visitors Bureau to bring events to Palos Park as a new revenue source
- Identify rental opportunities at the new Centennial Park

## **RELEVANT FINANCE POLICIES**

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palos Park for its comprehensive annual financial report for the fiscal year ended April 30, 2014. This was the 16<sup>th</sup> consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized Comprehensive Annual Financial Report, like the one you are currently reading. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

We would also like to thank and extend our appreciation to the Administration Department and the Village's Department Directors: Public Works Director ***Michael Sibrava***; Community

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

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

Respectfully Submitted,

**VILLAGE OF PALOS PARK**



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



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



Government Finance Officers Association

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

Presented to

**Village of Palos Park  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2014**

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

September 9, 2015

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Palos Park, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Palos Park, Illinois, as of and for the fiscal year ended April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

We did not audit the financial Statements of the Village of Palos Park as of and for the year ended April 30, 2014. Those Statements were audited by another auditor who issued an unmodified opinion on October 22, 2014.

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

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

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

  
LAUTERBACH & AMEN, LLP

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

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

**APRIL 30, 2015**

The Village of Palos Park's Management Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, and provides an overview of the Village's financial activity. In addition, it also helps to identify the following: 1) changes in the financial position; 2) material deviations from the financial plan; and 3) individual fund issues or concerns. This section of the Village of Palos Park's Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the Village's financial activities during the fiscal year ending April 30, 2015. The MD&A is designed to focus on the current year's activities; and should be read in conjunction with the Transmittal Letter at the front of this report, and the Village's financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

- **Net position and performance in total** – The Village's total net position at fiscal year-end was \$27,533,971, a decrease of \$511,543 during the year.
- **Governmental activity summary** – Net position for governmental activities increased by \$57,061 during the year to \$6,585,318.
- **Business-type activity summary** – Net position for business-type activities decreased by \$568,604 during the year to \$20,948,653.
- **General Fund summary** – The Village's General Fund reported a decrease of \$37,891 in fund balance for the year.
- **Budget vs. Actual** – The Village's actual revenues for the General Fund were more than budgeted revenues by \$31,343 while the actual expenditures were more than total budgeted expenditures by \$112,844.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

## ***FUND FINANCIAL STATEMENTS***

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus of these fund financial statements is on Major Funds, rather than fund types.

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

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

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

While the Total column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual), which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds, proceeds from sales of capital assets, and interfund transfers as other financing sources; as well as, capital outlay expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide Financial Statements.

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

**STATEMENT OF NET POSITION**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$27,533,971. The following table reflects the condensed Statement of Net Position as of April 30, 2014 and 2015. For more detailed information see the Statement of Net Position.

**TABLE 1  
STATEMENT OF NET POSITION  
FOR FISCAL YEARS 2014 AND 2015**

	<i>Governmental Activities 2014</i>	<i>Governmental Activities 2015</i>	<i>Business- Type Activities 2014</i>	<i>Business- Type Activities 2015</i>	<i>Total Primary Government 2014</i>	<i>Total Primary Government 2015</i>
<b>Assets:</b>						
<i>Current and Other Assets</i>	\$ 3,738,403	\$ 3,726,736	\$ 2,923,632	\$ 2,915,236	\$ 6,662,035	\$ 6,641,972
<i>Capital Assets</i>	4,758,572	4,476,814	20,888,298	20,127,233	25,646,870	24,604,047
<b>Total Assets</b>	<b>\$ 8,496,975</b>	<b>\$ 8,203,550</b>	<b>\$ 23,811,930</b>	<b>\$ 23,042,469</b>	<b>\$ 32,308,905</b>	<b>\$ 31,246,019</b>
<b>Deferred Outflows of Resources:</b>						
<i>Unamortized Loss on Refunding</i>	\$ 2,599	\$ -	\$ -	\$ -	\$ 2,599	\$ -
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,599</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,599</b>	<b>\$ -</b>
<b>Liabilities:</b>						
<i>Other Liabilities</i>	\$ 322,493	\$ 459,663	\$ 154,056	\$ 324,389	\$ 476,549	\$ 784,052
<i>Long-Term Liabilities</i>	945,011	522,884	2,140,617	1,769,427	3,085,628	2,292,311
<b>Total Liabilities</b>	<b>\$ 1,267,504</b>	<b>\$ 982,547</b>	<b>\$ 2,294,673</b>	<b>\$ 2,093,816</b>	<b>\$ 3,562,177</b>	<b>\$ 3,076,363</b>
<b>Deferred Inflows of Resources:</b>						
<i>Unearned Revenue</i>	\$ 607,477	\$ 630,726	\$ -	\$ -	\$ 607,477	\$ 630,726
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 1,874,981</b>	<b>\$ 1,613,273</b>	<b>\$ 2,294,673</b>	<b>\$ 2,093,816</b>	<b>\$ 4,169,654</b>	<b>\$ 3,707,089</b>
<b>Net Position:</b>						
<i>Net Investment in Capital Assets</i>	\$ 4,026,741	\$ 4,072,934	\$ 18,781,396	\$ 18,200,951	\$ 22,808,137	\$ 22,273,885
<i>Restricted</i>	1,285,489	1,370,146	-	-	1,285,489	1,370,146
<i>Unrestricted</i>	1,312,363	1,142,238	2,735,861	2,747,702	4,048,224	3,889,940
<b>TOTAL NET POSITION</b>	<b>\$ 6,624,593</b>	<b>\$ 6,585,318</b>	<b>\$ 21,517,257</b>	<b>\$ 20,948,653</b>	<b>\$ 28,141,850</b>	<b>\$ 27,533,971</b>

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

The Village's combined net position (which is the Village's bottom line) decreased 1.86% from a restated \$28,045,514 to \$27,533,971 with a decrease in net position of \$511,543. Net position of the Village's governmental activities increased \$57,061 during the year and ended the year at \$6,585,318. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased \$170,125 over last year to \$1,142,238.

The net position of business-type net position decreased \$568,604 or 2.71% during the year, and ended the fiscal year at \$20,948,653. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$2,747,702. Business-type activities include water, sewer, solid waste, and commuter parking lot services. The annual operating cost of these services for Fiscal Year 2015 was \$3,268,098.

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

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

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

## STATEMENT OF CHANGES IN NET POSITION

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

**TABLE 2  
CHANGES IN NET POSITION  
FOR FISCAL YEARS 2014 AND 2015**

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2015</b>	<b>Business- Type Activities 2014</b>	<b>Business- Type Activities 2015</b>	<b>Total Primary Government 2014</b>	<b>Total Primary Government 2015</b>
<b>REVENUES</b>						
<i>Program Revenues:</i>						
<i>Charges for</i>						
<i>Services</i>	\$ 998,056	\$ 829,448	\$ 2,861,074	\$ 2,702,949	\$ 3,859,130	\$ 3,532,397
<i>Operating Grants</i>	331,191	145,937	-	-	331,191	145,937
<i>General Revenues:</i>						
<i>Property Taxes</i>	1,259,952	1,283,415	-	-	1,259,952	1,283,415
<i>Sales Taxes</i>	819,655	836,596	-	-	819,655	836,596
<i>Utility Taxes</i>	525,275	479,923	-	-	525,275	479,923
<i>Income Taxes</i>	472,322	474,689	-	-	472,322	474,689
<i>Other</i>	236,261	252,118	-	-	236,261	252,118
<i>Investment Income</i>	(2,121)	3,361	(1,279)	1,122	(3,400)	4,483
<i>Gain on Sale of</i>						
<i>Capital Assets</i>	7,966	-	-	-	7,966	-
<i>Other</i>	51,790	420,641	55,715	30,423	107,505	451,064
<b>Total Revenues</b>	<b>4,700,347</b>	<b>4,726,128</b>	<b>2,915,510</b>	<b>2,734,494</b>	<b>7,615,857</b>	<b>7,460,622</b>
<b>EXPENSES</b>						
<i>General Government</i>	699,757	634,452	-	-	699,757	634,452
<i>Public Safety</i>	2,084,277	2,113,476	-	-	2,084,277	2,113,476
<i>Public Works</i>	742,048	1,000,130	-	-	742,048	1,000,130
<i>Building and Public</i>						
<i>Grounds</i>	549,108	448,021	-	-	549,108	448,021
<i>Culture and</i>						
<i>Recreation</i>	565,181	483,981	-	-	565,181	483,981
<i>Water</i>	-	-	2,110,591	2,100,082	2,110,591	2,100,082
<i>Sewer</i>	-	-	819,403	777,743	819,403	777,743
<i>Solid Waste</i>	-	-	303,759	310,069	303,759	310,069
<i>Commuter Lot</i>	-	-	90,762	80,204	90,762	80,204
<i>Interest</i>	35,460	24,007	-	-	35,460	24,007
<b>Total Expenses</b>	<b>4,675,831</b>	<b>4,704,067</b>	<b>3,324,515</b>	<b>3,268,098</b>	<b>8,000,346</b>	<b>7,972,165</b>
<b>Change in Net Position Before Transfers</b>	<b>24,516</b>	<b>22,061</b>	<b>(409,005)</b>	<b>(533,604)</b>	<b>(384,489)</b>	<b>(511,543)</b>
<b>Transfers</b>	<b>39,110</b>	<b>35,000</b>	<b>(39,110)</b>	<b>(35,000)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>63,626</b>	<b>57,061</b>	<b>(448,115)</b>	<b>(568,604)</b>	<b>(384,489)</b>	<b>(511,543)</b>
<b>Beginning Net Position as Restated</b>	<b>6,560,967</b>	<b>6,528,257</b>	<b>21,965,372</b>	<b>21,517,257</b>	<b>28,526,339</b>	<b>28,045,514</b>
<b>Ending Net Position</b>	<b>\$ 6,624,593</b>	<b>\$ 6,585,318</b>	<b>\$ 21,517,257</b>	<b>\$ 20,948,653</b>	<b>\$ 28,141,850</b>	<b>\$ 27,533,971</b>

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

### ***Governmental Activities***

Overall total revenues for governmental activities in FY15 totaled \$4,726,128 representing an increase in net amount of \$25,781 or 0.55% (\$829,448 for Charges for Services; \$1,283,415 for Property Taxes; and \$2,613,265 for Other Revenues). Revenues decreased in the following categories: Charges for Services, Utility Taxes, and Operating Grants during the fiscal year. Property taxes were one of the Village's largest sources of revenue at \$1,283,415; that is an increase of 1.86% over FY14. Sales tax revenue increased by 2.07% to \$836,596 or \$16,941 more than FY14. Utility taxes in FY15 decreased to \$479,923 or 8.63%. State income tax payments slightly increased 0.50% to an annual total of \$474,689. Continued State of Illinois financial problems contribute to decrease in income tax payments. Other revenue sources have experienced minor decreases, again reflecting economic conditions.

Expenses for governmental activities totaled \$4,704,067 representing a 0.60% increase from the previous fiscal year. Some of the more notable increases in spending are as follows: Wages increased by 1.89% to \$2,132,840; while Benefits increased 11.26% to \$750,623; Legal Fees increased 27.00% to \$131,590; Other Contractual Services increased 9.79% to \$679,784; Commodities decreased 12.93% to \$283,229; and Insurance decreased 25.39% to \$79,397 in this fiscal year. Modest increases in departmental expenditures in Public Safety, Building, Public Works, Festivals, Capital Outlay, Debt Service, and Recreation; while Administration, Finance, Public Affairs, and Public Grounds noted decreases in departmental expenditures during the fiscal year.

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

Revenue from business-type activities totaled \$2,734,494 (\$2,702,949 Charges for Services; a gain of \$2,401 from Investment Income; and a decrease of \$25,292 from Other Income), representing a decrease of \$181,016 from the previous fiscal year. Operating Revenues in the Water Fund decreased \$70,229 to \$1,783,342; while in the Sewer Fund the Operating Revenues decreased \$19,731 to \$496,508 in FY15. The Refuse and Recycling Fund for FY15 ended the fiscal year with total revenues of \$334,112 an increase of \$5,798. The Commuter Lot Fund Operating Revenues increased \$1,543 to \$88,986 in FY15. Fiscal Year 2015 saw rate adjustments for both water and sewer funds; however, usage is dependent on the weather, a warmer summer season increases water consumption.

Expenses for business-type activities totaled \$3,268,098, a \$56,417 decrease from the previous fiscal year. In the fiscal year, water purchase expenses increased by \$12,199 or 1.99% due to increased fees for the purchase of water. Water services expenses decreased by 33.56% to \$268,870. The Commuter Lot Fund operating expenses decreased \$10,558 or 11.63% for decrease in Charges for Services. The Sewer Fund operating expenses decreased \$54,013 or 12.87% for Personnel, Charges for Services, and Capital Outlay that included the purchase of pumps for lift stations within the Village. The Refuse and Recycling Fund ended the fiscal year with total expenses of \$310,069, an increase of \$6,310 or 2.08% for the fiscal year 2015.

## ***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 (3.0% for the 2012 levy) or 5.0%; plus any growth gained through development or redevelopment.
- ***Changing Patterns Of Intergovernmental And Grant Revenue (both recurring and non-recurring)*** – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- ***Market Impacts On Investment Income*** – The Village’s investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.
- ***Changes In Programs*** – Within the functional expense categories (General Government, Public Safety, Public Works, etc.), individual programs may be added, deleted, or expanded to meet changing community needs.
- ***Changes In Authorized Personnel*** – Changes in service demand may cause the Village Council to increase/decrease authorized staffing.
- ***Salary Increases (annual adjustments and step increases)*** – The ability to attract and retain human and intellectual resources requires the Village to strive to maintain a competitive salary range position in the marketplace.
- ***Inflation*** – Overall inflation increased slightly (the CPI-U was 1.6%) at the end of FY15 compared to the end of FY14’s CPI-U of 1.5%, but the CPI measures “average” inflation. The Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly difference from CPI; for example, insurance, fuel, electricity, and operating services.
- ***Unfunded Mandates and Imposed Fees*** – Over the years there have been many unfunded mandates and fee impositions that have hit municipalities. The Village is impacted by unfunded mandates imposed by federal, state, and local governments; as well as, regulatory agencies. These unfunded mandates can generate additional expenses without compensating revenues.

## **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

For the fiscal year ended April 30, 2015, the Governmental Funds reflect a combined fund balance of \$2,711,692 which is a decrease of \$229,966 or 7.82%, from the prior fiscal year. The General Fund ending fund balance at April 30, 2015 was \$1,578,353 which is a decrease of \$37,891. A healthy General Fund balance ensures that the Village has sufficient reserves to cover any future revenue shortfalls or emergency spending. Additionally, a healthy fund balance is sufficient to allow for short-term cash flow aberrations like Cook County sending out property tax bills later than normal.

In order to measure the General Fund's liquidity, it is useful to compare both unassigned fund balances and total fund balance to a total fund expenditures. At the close of the fiscal year the unassigned fund balance of \$1,250,633 was equal to 29.35% of the budgeted expenditures for the fiscal year. This percentage is over the Village's policy of retaining a minimum of three months or a 25% reserve of the General Fund expenditure budget in the fund balance. While the Village would still consider its fund balance to be healthy, the recent trend, which does not differ from other municipalities in the State as the economic crisis continues, it is worth keeping a close watch.

Total revenues for the General Fund of \$4,303,478 was more than the prior fiscal year by \$189,433 or 4.60%. Revenue increases were seen in Intergovernmental Taxes, Fines and Forfeits, and Charges for Services. Actual General Fund revenues were more than originally budgeted revenues by \$31,343 for the fiscal year. General Fund expenditures were more than originally budgeted by \$112,844. The actual expenditures were more than the actual revenue by \$71,142, prior to other financing sources. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are explained below.

Operating expenditures increased in FY15 to \$4,373,859 or \$188,672 more than the prior fiscal year. General Fund expenditures were \$112,844 more than budgeted in the fiscal year. Administration expenditures were less than the prior fiscal year as result of decreased insurance, commodities, and other contractual services. Public Safety also noted higher expenditures for legal fees, benefits, and other contractual services. Public Works increased spending for benefits, and other contractual services in FY15. Recreation increased spending for wages, benefits, commodities, and other contractual services. General Fund expenditures for Public Affairs, Finance, and Administration noted decreased expenditures in the current fiscal year as compared to the prior fiscal year.

**TABLE 3  
GENERAL FUND BUDGETARY HIGHLIGHTS**

<i>General Fund</i>	<i>FY15 Budget</i>	<i>FY15 Actual</i>	<i>FY14 Actual</i>	<i>FY13 Actual</i>	<i>FY12 Actual</i>	<i>FY11 Actual</i>
<b>Revenues:</b>						
<i>Taxes</i>	\$ 2,092,172	\$ 2,015,456	\$ 2,021,488	\$ 1,953,164	\$ 1,985,136	\$ 3,045,245
<i>Licenses &amp; Permits</i>	367,100	500,102	372,638	459,802	482,653	471,279
<i>Intergovernmental</i>	1,150,037	1,141,071	1,128,198	1,153,260	1,134,457	15,846
<i>Other</i>	662,826	646,849	591,721	543,369	795,294	789,412
<b>Total</b>	<b>4,272,135</b>	<b>4,303,478</b>	<b>4,114,045</b>	<b>4,109,595</b>	<b>4,397,540</b>	<b>4,321,782</b>
<b>Expenditures:</b>						
<i>Current</i>	(4,005,337)	(4,013,993)	(3,889,486)	(3,751,297)	(3,958,495)	(3,900,708)
<i>Capital Outlay</i>	(20,750)	(47,301)	(37,569)	(537)	(1,021)	(855)
<i>Debt Service</i>	(234,928)	(312,565)	(258,132)	(270,144)	(272,105)	(267,122)
<b>Total</b>	<b>(4,261,015)</b>	<b>(4,373,859)</b>	<b>(4,185,187)</b>	<b>(4,021,978)</b>	<b>(4,231,621)</b>	<b>(4,168,685)</b>
<b>Other Financing Sources (Uses)</b>						
<i>Transfers In</i>	120,000	85,000	85,000	70,000	90,000	90,000
<i>Transfers Out</i>	(77,250)	(52,510)	(44,110)	(44,110)	(44,110)	(40,000)
<i>Proceeds from Sale of Assets</i>	-	-	7,966	1,406	3,971	-
<b>Total</b>	<b>42,750</b>	<b>32,490</b>	<b>48,856</b>	<b>27,296</b>	<b>49,861</b>	<b>50,000</b>
<b>Net Change in Fund Balance</b>	<b>\$ 53,870</b>	<b>\$ (37,891)</b>	<b>\$ (22,286)</b>	<b>\$ 114,913</b>	<b>\$ 215,780</b>	<b>\$ 203,097</b>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of Fiscal Year 2015, the Village had a total of capital assets, in the amount of \$24,599,088, invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, water mains, storm sewers, and sanitary sewer lines. For more detailed information on capital assets, refer to Notes to Financial Statements #3: *Capital Assets* in the basic financial statements.

Major capital activity during the year included street resurfacing program using Motor Fuel Tax Fund proceeds, the purchase of a tractor for Public Works, and several drainage improvement projects paid from the ½ % Sales Tax Fund. One new squad car were purchased from the Police Asset Forfeiture Fund. A new utility pick-up truck was purchased from the Water and Sewer Funds; as well as, the installation of a lift station control and generator with funds from the Sewer Fund. In addition, there were building improvements in the Kaptur Center building.

**TABLE 4  
CHANGES IN NET CAPITAL ASSETS**

	<i>Beginning Balance May 1, 2014</i>	<i>Additions / Deletion</i>	<i>Ending Balance April 30, 2015</i>
<b><i>Non-Depreciable Assets</i></b>			
<i>Land</i>	\$ 1,729,988	\$ -	\$ 1,729,988
<b><i>Depreciable Capital Assets</i></b>			
<i>Buildings and Improvements</i>	3,884,916	71,546	3,956,462
<i>Equipment and Vehicles</i>	1,065,938	74,067	1,140,005
<i>Water Distribution System</i>	18,364,316	41,099	18,405,415
<i>Sewer Distribution System</i>	17,158,632	119,200	17,277,832
<i>Accumulated Depreciation and Capital Assets</i>	(16,776,920)	(1,133,694)	(17,910,614)
<b><i>TOTAL</i></b>	<b><u>\$ 25,426,870</u></b>	<b><u>\$ (827,782)</u></b>	<b><u>\$ 24,599,088</u></b>

***Debt Outstanding***

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

- In 2000, the Village issued a \$1,845,000 installment contract for the construction of the Kaptur Administrative Center. In January 2011, the Village refunded this installment contract and issued \$1,055,000 Series 2011 refunding certificates, payable in annual installments until December 2014. As of April 30, 2015, the balance was zero.
- In 2002, the Village issued a \$300,000 installment contract for the purchase of the residence immediately adjacent to the Kaptur Administrative Center. As of April 30, 2015, the balance was zero.
- In the fall of 2006, the Village issued a \$570,000 installment contract for the purchase of property for a future park. As of April 30, 2015, the balance was \$395,000.
- In October 2010, the Village entered into an installment purchase contract for the purchase of a dump truck. As of April 30, 2015, there was a \$7,841 balance on this contract.
- The Village's Water Fund has bonds payable for two special assessments (96-1A and 96-1B) for a public benefit portion of those special assessments. The principal balance as of April 30, 2015 was \$132,362.
- In Fiscal Year 2005, the Village issued \$450,000 Series 2004 General Obligation Alternate Revenue Bonds for the extension of water and sewer along certain areas of LaGrange Road and the area of 131st Street and Wolf Road. In FY06, the Village issued \$450,000 Series 2005 General Obligation Alternate Revenue Bonds for the 94th Ave. / Rod Estates / Munch Subdivision. In both cases the property taxes on these bonds are to

be abated annually and the bonds are repaid with water and sewer revenues. As of April 30, 2015, the combined principal balance remaining was \$355,000.

- In Fiscal Year 2010, the Village issued \$1,750,000 Series 2010 General Obligation Alternative Revenue Bonds to finance the construction of an underground reservoir. The principal balance as of April 30, 2015 was \$1,435,000.

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

The Village's total legal general obligation debt limit is estimated at \$17,511,235. The Village's total general obligation debt applicable to this limit of \$402,841 is well within the limit. See Notes to Financial Statements #3: *Long-Term Debt* for additional information regarding the long-term debt of the Village.

### ***ECONOMIC FACTORS***

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

The Village's 2014 Tax Year Equalized Assessed Value (EAV) for property taxes payable in 2015 was \$203,028,808 as compared to the 2013 EAV of \$211,138,166. This is a 3.84% decrease in the Village's EAV, due to external economic factors and is the fourth year that the values have decreased. However, property taxes within the Village's corporate limits continue to provide a stable revenue source.

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

### ***CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. This report and others may be found on the Village's website: [www.palospark.org](http://www.palospark.org) Questions concerning this report or requests for additional financial information should be directed to **Barbara Maziarek**, Finance Director and Treasurer, Village of Palos Park, 8999 W. 123rd Street, Palos Park, Illinois 60464 or [bmaziarek@palospark.org](mailto:bmaziarek@palospark.org)

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Statement of Net Position  
April 30, 2015**

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**See Following Page**

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position  
April 30, 2015

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 2,474,564	2,612,010	5,086,574
Receivables - Net of Allowances	1,157,186	321,804	1,478,990
Due from Other Governments	11,273	-	11,273
Internal Balances	27,766	(27,766)	-
Prepays/Inventories	50,988	9,188	60,176
Total Current Assets	3,721,777	2,915,236	6,637,013
Noncurrent Assets			
Capital Assets			
Nondepreciable	1,709,988	20,000	1,729,988
Depreciable	4,965,688	35,814,026	40,779,714
Accumulated Depreciation	(2,203,821)	(15,706,793)	(17,910,614)
	4,471,855	20,127,233	24,599,088
Net Pension Asset	4,959	-	4,959
Total Noncurrent Assets	4,476,814	20,127,233	24,604,047
Total Assets	8,198,591	23,042,469	31,241,060

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	\$ 158,794	97,914	256,708
Accrued Payroll	73,828	20,562	94,390
Accrued Interest	6,912	18,089	25,001
Deposits Payable	146,737	-	146,737
Current Portion of Long-Term Liabilities	73,392	187,824	261,216
Total Current Liabilities	<u>459,663</u>	<u>324,389</u>	<u>784,052</u>
Noncurrent Liabilities			
Compensated Absences Payable	157,884	24,775	182,659
General Obligation Bonds/Debt Certificates	365,000	1,650,000	2,015,000
Special Assessment Bonds Payable	-	94,652	94,652
Total Noncurrent Liabilities	<u>522,884</u>	<u>1,769,427</u>	<u>2,292,311</u>
Total Liabilities	<u>982,547</u>	<u>2,093,816</u>	<u>3,076,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>630,726</u>	-	<u>630,726</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,613,273</u>	<u>2,093,816</u>	<u>3,707,089</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,072,934	18,200,951	22,273,885
Restricted - Special Events	271,671	-	271,671
Restricted - Beautification	4,649	-	4,649
Restricted - McCord	412	-	412
Restricted - Highways and Streets	256,124	-	256,124
Restricted - Police Forfeitures Programs	123,814	-	123,814
Restricted - Capital Projects	435,174	-	435,174
Restricted - Public Infrastructure Improvements	278,302	-	278,302
Unrestricted	<u>1,142,238</u>	<u>2,747,702</u>	<u>3,889,940</u>
Total Net Position	<u>6,585,318</u>	<u>20,948,653</u>	<u>27,533,971</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, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
<b>Governmental Activities</b>				
General Government	\$ 634,452	500,102	-	-
Public Safety	2,113,476	184,911	-	-
Public Works	1,000,130	-	145,937	-
Building and Public Grounds	448,021	-	-	-
Culture and Recreation	483,981	144,435	-	-
Interest on Long-Term Debt	24,007	-	-	-
<b>Total Governmental Activities</b>	<b>4,704,067</b>	<b>829,448</b>	<b>145,937</b>	<b>-</b>
<b>Business-Type Activities</b>				
Water	2,100,082	1,783,343	-	-
Sewer Maintenance	777,743	496,508	-	-
Refuse and Recycling	310,069	334,112	-	-
Commuter Parking Lot	80,204	88,986	-	-
<b>Total Business-Type Activities</b>	<b>3,268,098</b>	<b>2,702,949</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>7,972,165</b>	<b>3,532,397</b>	<b>145,937</b>	<b>-</b>

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

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Primary Government		
Net (Expense)/Revenue		
Governmental Activities	Business-Type Activities	Totals
(134,350)	-	(134,350)
(1,928,565)	-	(1,928,565)
(854,193)	-	(854,193)
(448,021)	-	(448,021)
(339,546)	-	(339,546)
(24,007)	-	(24,007)
<u>(3,728,682)</u>	<u>-</u>	<u>(3,728,682)</u>
-	(316,739)	(316,739)
-	(281,235)	(281,235)
-	24,043	24,043
-	8,782	8,782
<u>-</u>	<u>(565,149)</u>	<u>(565,149)</u>
<u>(3,728,682)</u>	<u>(565,149)</u>	<u>(4,293,831)</u>
1,283,415	-	1,283,415
170,233	-	170,233
479,923	-	479,923
252,118	-	252,118
666,363	-	666,363
474,689	-	474,689
3,361	1,122	4,483
420,641	30,423	451,064
35,000	(35,000)	-
<u>3,785,743</u>	<u>(3,455)</u>	<u>3,782,288</u>
57,061	(568,604)	(511,543)
<u>6,528,257</u>	<u>21,517,257</u>	<u>28,045,514</u>
<u>6,585,318</u>	<u>20,948,653</u>	<u>27,533,971</u>

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2015**

	General	Nonmajor	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,389,114	1,085,450	2,474,564
Receivables - Net of Allowances			
Taxes	962,118	41,200	1,003,318
Accounts	23,022	-	23,022
Other	130,846	-	130,846
Due from Other Governments	-	11,273	11,273
Due from Other Funds	27,766	-	27,766
Prepays	50,988	-	50,988
<b>Total Assets</b>	<b>2,583,854</b>	<b>1,137,923</b>	<b>3,721,777</b>
<b>LIABILITIES</b>			
Accounts Payable	154,210	4,584	158,794
Accrued Payroll	73,828	-	73,828
Deposits Payable	146,737	-	146,737
<b>Total Liabilities</b>	<b>374,775</b>	<b>4,584</b>	<b>379,359</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	630,726	-	630,726
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,005,501</b>	<b>4,584</b>	<b>1,010,085</b>
<b>FUND BALANCES</b>			
Nonspendable	50,988	-	50,988
Restricted	276,732	1,093,414	1,370,146
Assigned	-	39,925	39,925
Unassigned	1,250,633	-	1,250,633
<b>Total Fund Balances</b>	<b>1,578,353</b>	<b>1,133,339</b>	<b>2,711,692</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>2,583,854</b>	<b>1,137,923</b>	<b>3,721,777</b>

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, 2015**

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<b>Total Governmental Fund Balances</b>	<b>\$ 2,711,692</b>
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Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,471,855
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A net pension asset for the Police Pension Fund is not a current financial resources and, therefore, is not reported in the governmental funds	4,959
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(197,355)
Debt Certificates Payable	(395,000)
Installment Contracts Payable	(3,921)
Accrued Interest Payable	<u>(6,912)</u>

<b>Net Position of Governmental Activities</b>	<b><u><u>6,585,318</u></u></b>
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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, 2015

	General	Nonmajor	Totals
<b>Revenues</b>			
Taxes	\$ 2,015,456	170,233	2,185,689
Intergovernmental	1,141,071	145,937	1,287,008
Licenses and Permits	500,102	-	500,102
Charges for Services	144,435	-	144,435
Fines and Forfeitures	97,042	87,869	184,911
Interest	2,863	498	3,361
Miscellaneous	402,509	18,113	420,622
<b>Total Revenues</b>	<b>4,303,478</b>	<b>422,650</b>	<b>4,726,128</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	567,323	-	567,323
Public Safety	2,036,386	65,509	2,101,895
Public Works	529,305	78,355	607,660
Building and Grounds	409,638	38,383	448,021
Culture and Recreation	471,341	-	471,341
Capital Outlay	47,301	383,323	430,624
<b>Debt Service</b>			
Principal Retirement	300,000	32,910	332,910
Interest and Fiscal Charges	12,565	18,755	31,320
<b>Total Expenditures</b>	<b>4,373,859</b>	<b>617,235</b>	<b>4,991,094</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,381)	(194,585)	(264,966)
<b>Other Financing Sources (Uses)</b>			
Transfers In	85,000	83,349	168,349
Transfers Out	(52,510)	(80,839)	(133,349)
	32,490	2,510	35,000
Net Change in Fund Balances	(37,891)	(192,075)	(229,966)
Fund Balances - Beginning as Restated	1,616,244	1,325,414	2,941,658
Fund Balances - Ending	1,578,353	1,133,339	2,711,692

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, 2015

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Net Change in Fund Balances - Total Governmental Funds \$ (229,966)

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	116,263
Depreciation Expense	(182,980)
Disposals - Cost	(11,000)
Disposals - Accumulated Depreciation	11,000

The change in the net pension asset is not a current financial resource and, therefore,  
is not reported in the governmental funds.

139

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.

Decrease to Compensated Absences Payable	13,382
Retirement of Debt	332,754

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.

7,469

Changes in Net Position of Governmental Activities

57,061

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, 2015**

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor	
				Commuter Parking Lot	
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 1,795,370	770,564	-	46,076	2,612,010
Receivables - Net of Allowances					
Accounts	215,570	48,164	58,070	-	321,804
Prepays	4,455	3,898	-	835	9,188
Total Current Assets	2,015,395	822,626	58,070	46,911	2,943,002
Noncurrent Assets					
Capital Assets					
Nondepreciable	20,000	-	-	-	20,000
Depreciable	18,536,194	17,277,832	-	-	35,814,026
Accumulated Depreciation	(7,720,505)	(7,986,288)	-	-	(15,706,793)
Total Noncurrent Assets	10,835,689	9,291,544	-	-	20,127,233
Total Assets	12,851,084	10,114,170	58,070	46,911	23,070,235

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>					
<b>Current Liabilities</b>					
Accounts Payable	\$ 63,335	7,023	26,315	1,241	97,914
Accrued Payroll	17,049	3,513	-	-	20,562
Accrued Interest	15,197	2,892	-	-	18,089
Due to Other Funds	-	-	27,766	-	27,766
Current Portion of Long-Term Debt	168,982	18,842	-	-	187,824
<b>Total Current Liabilities</b>	<b>264,563</b>	<b>32,270</b>	<b>54,081</b>	<b>1,241</b>	<b>352,155</b>
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable	18,286	6,489	-	-	24,775
General Obligation Bonds	1,470,116	179,884	-	-	1,650,000
Special Assessment Bonds Payable	94,652	-	-	-	94,652
<b>Total Noncurrent Liabilities</b>	<b>1,583,054</b>	<b>186,373</b>	<b>-</b>	<b>-</b>	<b>1,769,427</b>
<b>Total Liabilities</b>	<b>1,847,617</b>	<b>218,643</b>	<b>54,081</b>	<b>1,241</b>	<b>2,121,582</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	9,106,511	9,094,440	-	-	18,200,951
Unrestricted	1,896,956	801,087	3,989	45,670	2,747,702
<b>Total Net Position</b>	<b>11,003,467</b>	<b>9,895,527</b>	<b>3,989</b>	<b>45,670</b>	<b>20,948,653</b>

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, 2015

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
Operating Revenues					
Charges for Services	\$ 1,754,747	487,216	334,112	88,986	2,665,061
Sale of Water Meters	5,484	-	-	-	5,484
Miscellaneous	23,112	9,292	-	-	32,404
Total Operating Revenues	1,783,343	496,508	334,112	88,986	2,702,949
Operating Expenses					
Personnel	449,812	149,701	-	-	599,513
Commodities	180,573	49,234	-	47,215	277,022
Water Purchases	624,729	72,263	-	-	696,992
Services	268,870	-	310,069	32,989	611,928
Non-Capital Assets	30,707	18,915	-	-	49,622
Depreciation	482,802	478,912	-	-	961,714
Total Operating Expenses	2,037,493	769,025	310,069	80,204	3,196,791
Operating Income (Loss)	(254,150)	(272,517)	24,043	8,782	(493,842)
Nonoperating Revenues (Expenses)					
Interest Income	955	24	-	143	1,122
Rental Income	25,423	-	-	-	25,423
Tap-On Fees	5,000	-	-	-	5,000
Interest Expense	(62,589)	(8,718)	-	-	(71,307)
	(31,211)	(8,694)	-	143	(39,762)
Income (Loss) Before Transfers	(285,361)	(281,211)	24,043	8,925	(533,604)
Transfers In	-	30,000	-	-	30,000
Transfers Out	(30,000)	-	(35,000)	-	(65,000)
Change in Net Position	(315,361)	(251,211)	(10,957)	8,925	(568,604)
Net Position - Beginning	11,318,828	10,146,738	14,946	36,745	21,517,257
Net Position - Ending	11,003,467	9,895,527	3,989	45,670	20,948,653

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, 2015

	Business-Type Activities - Enterprise				Totals
	Water	Sewer Maintenance	Refuse and Recycling	Nonmajor Commuter Parking Lot	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 1,836,927	501,936	332,880	89,126	2,760,869
Payments to Suppliers	(1,245,774)	(188,423)	(297,880)	(87,820)	(1,819,897)
Payments to Employees	(319,566)	(104,205)	-	-	(423,771)
	271,587	209,308	35,000	1,306	517,201
Cash Flows from Noncapital Financing Activities					
Transfers In	-	30,000	-	-	30,000
Transfers Out	(30,000)	-	(35,000)	-	(65,000)
	(30,000)	30,000	(35,000)	-	(35,000)
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(81,449)	(119,200)	-	-	(200,649)
Principal Retirement	(140,465)	(40,155)	-	-	(180,620)
Interest Expense	(62,589)	(8,718)	-	-	(71,307)
	(284,503)	(168,073)	-	-	(452,576)
Cash Flows from Investing Activities					
Interest Income	955	24	-	143	1,122
Net Change in Cash and Cash Equivalents	(41,961)	71,259	-	1,449	30,747
Cash and Cash Equivalents - Beginning	1,837,331	699,305	-	44,627	2,581,263
Cash and Cash Equivalents - Ending	1,795,370	770,564	-	46,076	2,612,010
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	(254,150)	(272,517)	24,043	8,782	(493,842)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	482,802	478,912	-	-	961,714
Other Income (Expense)	30,423	-	-	-	30,423
(Increase) Decrease in Current Assets	23,161	5,428	(1,232)	140	27,497
Increase (Decrease) in Current Liabilities	(10,649)	(2,515)	12,189	(7,616)	(8,591)
Net Cash Provided by Operating Activities	271,587	209,308	35,000	1,306	517,201

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, 2015

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	Pension Trust	
	Police Pension	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 62,679	2,299,229
Investments		
U.S. Government and Agency Obligations	739,196	-
Municipal Bonds	262,492	-
Corporate Bonds	1,025,983	-
Mutual Funds	212,858	-
Receivables		
Accrued Interest	<u>26,281</u>	<u>-</u>
Total Assets	2,329,489	<u><u>2,299,229</u></u>
<b>LIABILITIES</b>		
Due to Bondholders	<u>-</u>	<u><u>2,299,229</u></u>
<b>NET POSITION</b>		
Held in Trust for Pension Benefits	<u><u>2,329,489</u></u>	

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

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2015

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 175,000
Contributions - Plan Members	63,574
Total Contributions	<u>238,574</u>
Investment Earnings	
Interest Earned	85,375
Net Change in Fair Value	<u>-</u>
	85,375
Less Investment Expenses	<u>(10,361)</u>
Net Investment Income	<u>75,014</u>
Total Additions	<u>313,588</u>
Deductions	
Administration	-
Benefits and Refunds	<u>115,751</u>
Total Deductions	<u>115,751</u>
Change in Net Position	197,837
Net Position - Beginning	<u>2,131,652</u>
Net Position - Ending	<u><u>2,329,489</u></u>

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Palos Park
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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, 2015

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

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

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

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

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

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

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

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

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

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

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

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

##### Governmental Funds

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

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

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

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

#### Proprietary Funds

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

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

#### Fiduciary Funds

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

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds – Continued

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

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

#### Measurement Focus

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

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

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

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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

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

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

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

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

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

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

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

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **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/Inventories**

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. 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. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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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 fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

Buildings and Improvements	40 Years
Vehicles	5 Years
Water and Sewer Distribution System	40 Years
Streets	30 Years
Infrastructure	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, 2015

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

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

##### 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, 2015**

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

**BUDGETARY INFORMATION**

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

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

- All departments of the Village submit requests for appropriations to the Village Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past two years, current year estimates and requested budget for the next fiscal year.
- The Village Council adopts a budget, which is the operational plan, and includes a budget for all funds utilized by the Village. The budget is presented in these financial statements. The Exaction Fee and Fine Arts Funds are not budgeted.
- The Appropriations Ordinance, based on the budget is published for public hearing to obtain taxpayer comment. The appropriations ordinance serves as an appropriation authorization.
- The Appropriations Ordinance is legally enacted through the passage of an ordinance.
- The Village Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revision that alters the total expenditures of any fund must be approved by the Village Council.

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

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

<u>Fund</u>	<u>Excess</u>
General	\$ 112,844
Police Forfeiture	12,885
Capital Improvements	37,225
Refuse and Reclying	6,811
Police Pension	8,201

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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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, 2015

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

#### DEPOSITS AND INVESTMENTS – Continued

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

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

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

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$275,289 and the bank balances totaled \$394,121.

*Investments.* The Village 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
Illinois Funds	\$ 4,601,046	4,601,046	-	-	-
IMET	210,239	210,239	-	-	-
	4,811,285	4,811,285	-	-	-

*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.

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

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village’s investment in a single issuer. The Village’s investment policy requires diversification of investment to avoid unreasonable risk. The policy requires that no category of investment should exceed 40% of the total portfolio except for cash equivalents and treasury securities. Further, the portfolio should at no time hold deposits constituting more than 10% of any single financial institution’s total deposits. At April 30, 2015, the Village’s investment in the Illinois Funds is not in compliance with the guidelines outlined above in the Village’s investment policy as it represents over 90% of the total cash and investment portfolio.

*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 limits 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 receipts 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 \$62,679 and the bank balances totaled \$62,679.

*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/Agency Obligations	\$ 739,196	113,085	412,122	213,989	-
Municipal Bonds	262,492	-	122,235	119,845	20,412
Corporate Bonds	1,025,983	36,847	538,142	450,994	-
	2,027,671	149,932	1,072,499	784,828	20,412

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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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

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

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

*Custodial Credit Risk.* For deposits, the Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Fund, an independent third party or the Federal Reserve Bank of Chicago. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

*Concentration Risk.* The Fund's investment policy requires diversification of investments to avoid unreasonable risk. In addition, the Fund's investment policy requires that deposits in the Illinois Funds shall not exceed 50% of the total portfolio. The policy provides no other limits on diversification. In addition to the securities and fair values listed above, the Fund also has \$212,858 invested in mutual funds. The Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	88.5%	5.3%-6.5%
Equities	10.0%	3.8%-7.8%
Cash and Cash Equivalents	1.5%	0.0%

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2015 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, 2015 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.62%. 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 2014 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

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

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund Balances**

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

Receivable Fund	Payable Fund	Amount
General	Refuse and Recycling	<u>\$ 27,766</u>

Interfund balances are advances in anticipation of receipts.

**Interfund Transfers**

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

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 50,000
General	Refuse and Recycling	35,000
Nonmajor Governmental	General	52,510
Nonmajor Governmental	Nonmajor Governmental	30,839
Sewer Maintenance	Water	<u>30,000</u>
		<u>198,349</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,709,988	-	-	1,709,988
Depreciable Capital Assets				
Buildings and Improvements	3,884,916	71,546	-	3,956,462
Vehicles and Equipment	975,509	44,717	11,000	1,009,226
	<u>4,860,425</u>	<u>116,263</u>	<u>11,000</u>	<u>4,965,688</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,358,689	98,911	-	1,457,600
Vehicles and Equipment	673,152	84,069	11,000	746,221
	<u>2,031,841</u>	<u>182,980</u>	<u>11,000</u>	<u>2,203,821</u>
Total Net Depreciable Capital Assets	<u>2,828,584</u>	<u>(66,717)</u>	<u>-</u>	<u>2,761,867</u>
Total Net Capital Assets	<u>4,538,572</u>	<u>(66,717)</u>	<u>-</u>	<u>4,471,855</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 80,511
Public Safety	34,766
Public Works	58,554
Culture and Recreation	<u>9,149</u>
	<u>182,980</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 20,000	-	-	20,000
Depreciable Capital Assets				
Water Distribution System	18,364,316	41,099	-	18,405,415
Sewer Distribution System	17,158,632	119,200	-	17,277,832
Vehicles	90,429	40,350	-	130,779
	<u>35,613,377</u>	<u>200,649</u>	<u>-</u>	<u>35,814,026</u>
Less Accumulated Depreciation				
Water Distribution System	7,173,501	465,379	-	7,638,880
Sewer Distribution System	7,503,646	478,912	-	7,982,558
Vehicles	67,932	17,423	-	85,355
	<u>14,745,079</u>	<u>961,714</u>	<u>-</u>	<u>15,706,793</u>
Total Net Depreciable Capital Assets	<u>20,868,298</u>	<u>(761,065)</u>	<u>-</u>	<u>20,107,233</u>
Total Net Capital Assets	<u>20,888,298</u>	<u>(761,065)</u>	<u>-</u>	<u>20,127,233</u>

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

Water	\$ 482,802
Sewer Maintenance	<u>478,912</u>
	<u>961,714</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

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

**LONG-TERM DEBT**

**General Obligation Bonds**

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

<u>Issue</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
\$450,000 General Obligation Alternate Revenue Bonds of 2004, due in annual installments of \$25,000 to \$40,000 plus interest at 1.80% to 4.10% through December 1, 2019.	\$ 210,000	-	30,000	180,000
\$450,000 General Obligation Alternate Revenue Bonds of 2005, due in annual installments of \$25,000 to \$35,000 plus interest at 3.10% to 4.05% through December 1, 2019.	210,000	-	35,000	175,000
\$1,750,000 General Obligation Alternate Revenue Bonds of 2010, due in annual installments of \$60,000 to \$360,000 plus interest at 2.50% to 4.30% through December 1, 2029.	1,505,000	-	70,000	1,435,000
	<u>1,925,000</u>	<u>-</u>	<u>135,000</u>	<u>1,790,000</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 both governmental. Debt certificates currently outstanding are as follows:

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

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

**LONG-TERM DEBT – Continued**

**Debt Certificates – Continued**

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$300,000 Debt Certificates of 2002, due in annual installments of \$16,000 to \$26,000 plus interest at 1.80% to 5.05% through January 1, 2017.	\$ 75,000	-	75,000	-
\$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.	420,000	-	25,000	395,000
\$1,055,000 Refunding Debt Certificates of 2010, due in annual installments of \$200,000 to \$225,000 plus interest at 2.00% to 3.00% through December 1, 2014.	225,000	-	225,000	-
	<u>720,000</u>	<u>-</u>	<u>325,000</u>	<u>395,000</u>

**Installment Contract Payable**

The Village also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$37,300 Installment Contract Payable of 2010, due in semi-annual installments of \$4,158 plus interest at 3.99% through October 29, 2015.	\$ 11,831	-	7,910	3,921
	5,915	-	3,955	1,960
	5,915	-	3,955	1,960
	<u>23,661</u>	<u>-</u>	<u>15,820</u>	<u>7,841</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Special Assessment Bonds Payable

The Village has issued a number of special assessments bonds payable at noted below. The public benefit portion of two of the special assessment bonds payable are payable from the Water Fund. Special Assessment 96-1A has a remaining public benefit portion of \$33,264 at April 30, 2015. Special Assessment 96-1B has a remaining public benefit portion of \$99,098 at April 30, 2015. Debt service to maturity on these two obligations is as follows:

Fiscal Year	Principal	Interest
2016	\$ 37,710	6,520
2017	37,710	4,670
2018	37,710	2,794
2019	19,232	931
Totals	<u>132,362</u>	<u>14,915</u>

Special assessment bonds outstanding as of April 30, 2015 totaled \$1,954,306. Other than the public benefit portion of the special assessments discussed above, these bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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	\$ 210,737	13,382	26,764	197,355	39,471
Debt Certificates	720,000	-	325,000	395,000	30,000
Installment Contracts Payable	11,831	-	7,910	3,921	3,921
Unamortized Premium	(156)	-	(156)	-	-
	<u>942,412</u>	<u>13,382</u>	<u>359,518</u>	<u>596,276</u>	<u>73,392</u>
<b>Business-Type Activities</b>					
Compensated Absences	33,715	2,746	5,492	30,969	6,194
General Obligation Bonds	1,925,000	-	135,000	1,790,000	140,000
Installment Contracts Payable	11,830	-	7,910	3,920	3,920
Special Assessment Bonds Payable	170,072	-	37,710	132,362	37,710
	<u>2,140,617</u>	<u>2,746</u>	<u>186,112</u>	<u>1,957,251</u>	<u>187,824</u>

For the governmental activities, payments on the compensated absences are made by the General Fund. Payments on the debt certificates are being liquidated by the General and Land Acquisition Funds. The installment contracts payable are being liquidated by the 1% Sales Tax Fund.

Additionally, for business-type activities, compensated absences are generally liquidated by the Water and Sewer Maintenance Funds. The Water Fund makes payments on the general obligation bonds. The installment contracts payable is being liquidated by the Water and Sewer Maintenance Funds.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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		Installment Contracts Payable		General Obligation Bonds		Installment Contracts Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 30,000	19,139	3,921	83	140,000	69,473	3,920	83
2017	30,000	16,710	-	-	145,000	64,922	-	-
2018	30,000	14,188	-	-	145,000	60,185	-	-
2019	30,000	12,964	-	-	150,000	55,037	-	-
2020	35,000	11,728	-	-	160,000	49,677	-	-
2021	35,000	10,272	-	-	85,000	43,390	-	-
2022	35,000	8,802	-	-	90,000	82,974	-	-
2023	40,000	7,323	-	-	95,000	36,560	-	-
2024	40,000	5,617	-	-	100,000	32,760	-	-
2025	45,000	3,901	-	-	105,000	28,760	-	-
2026	45,000	1,957	-	-	105,000	24,403	-	-
2027	-	-	-	-	110,000	20,045	-	-
2028	-	-	-	-	115,000	15,480	-	-
2029	-	-	-	-	120,000	10,535	-	-
2030	-	-	-	-	125,000	5,375	-	-
Totals	395,000	112,601	3,921	83	1,790,000	599,576	3,920	83

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

**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 - 2014	<u>\$ 203,028,808</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>17,511,235</u>
Amount of Debt Applicable to Limit	<u>402,841</u>
Legal Debt Margin	<u><u>17,108,394</u></u>

**NET POSITION/FUND BALANCE**

**Net Position Restatement**

As of April 30, 2015, the Village has restated its financial statements for governmental activities to reflect an error in recognition of beginning capital assets. In addition, beginning fund balance the General Fund was restated to correct an error in recognition of IRMA surplus. The following is a summary of the fund balances as originally reported and as restated.

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 6,624,593	6,528,257	(96,336)
General Fund	1,492,580	1,616,244	123,664

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

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

**NET POSITION/FUND BALANCE – Continued**

**Net Position Classifications**

Net investment in capital assets was comprised of the following as of April 30, 2015:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 4,471,855
Less Capital Related Debt:	
Debt Certificates of 2006	(395,000)
Installment Contract Payable of 2010	<u>(3,921)</u>
Net Investment in Capital Assets	<u><u>4,072,934</u></u>

Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	20,127,233
Less Capital Related Debt:	
General Obligation Alternate Revenue Bonds of 2004	(180,000)
General Obligation Alternate Revenue Bonds of 2005	(175,000)
General Obligation Alternate Revenue Bonds of 2010	(1,435,000)
Installment Contract Payable of 2010	(3,920)
Special Assessment Bonds Payable	<u>(132,362)</u>
Net Investment in Capital Assets	<u><u>18,200,951</u></u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

**Fund Balance Classifications**

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

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

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

	General	Nonmajor	Totals
Fund Balances			
Nonspendable			
Prepays	\$ 50,988	-	50,988
Restricted			
Special Events	271,671	-	271,671
Beautification	4,649	-	4,649
McCord	412	-	412
Highways and Streets	-	256,124	256,124
Police Forfeiture Programs	-	123,814	123,814
Capital Projects	-	435,174	435,174
Public Infrastructure Improvements	-	278,302	278,302
	<u>276,732</u>	<u>1,093,414</u>	<u>1,370,146</u>
Assigned			
Fine Arts	-	30,512	30,512
Land Acquisition and Recreation	-	9,413	9,413
	<u>-</u>	<u>39,925</u>	<u>39,925</u>
Unassigned	<u>1,250,633</u>	<u>-</u>	<u>1,250,633</u>
Total Fund Balances	<u>1,578,353</u>	<u>1,133,339</u>	<u>2,711,692</u>

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION

#### RISK MANAGEMENT

##### **Intergovernmental Risk Management Agency**

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

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

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

#### 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.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

#### CONTINGENT LIABILITIES – Continued

##### 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.

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

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

##### Plan Descriptions

##### Illinois Municipal Retirement System (IMRF)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution annual required contribution rate for calendar year 2014 was 13.57 percent.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

**Sheriff's Law Enforcement Personnel**

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.

These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 7.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2014 was 15.75 percent.

**Police Pension Plan**

*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 Fund as a pension trust fund. The Fund 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, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	<u>9</u>
Total	<u><u>12</u></u>

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Plan Descriptions – Continued

##### Police Pension Plan – Continued

*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  $\frac{1}{2}$  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.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  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.,  $\frac{1}{2}$  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  $\frac{1}{2}$  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, 2015, the Village's contribution was 27.13% of covered payroll.

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Plan Descriptions – Continued

##### Police Pension Plan – Continued

##### Summary of Significant Accounting Policies and Plan Asset Matters

*Basis of Accounting.* The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

*Significant Investments.* At year-end, the Police Pension Fund has no investments over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations). Information for IMRF and the SLEP plan is not available.

*Related Party Transactions.* There are no securities of the employer or any other related parties included in plan assets.

##### Actuarial Assumptions

The total pension liability for the Police Pension Fund was determined by an actuarial valuation performed, as of April 30, 2015, using the following actuarial methods and assumptions:

	<u>Police Pension</u>
Actuarial Valuation Date	4/30/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.00%
Salary Increases	5.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

# VILLAGE OF PALOS PARK, ILLINOIS

## Notes to the Financial Statements April 30, 2015

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Actuarial Assumptions – Continued

Mortality rates were based on the RP-2000 Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

##### Discount Rate

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

##### 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 liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Police Pension			
Net Pension Liability	\$ 3,758,192	2,945,349	2,280,608

##### Net Pension Liability

The components of the net pension liability of the Village's Police Pension Plan as of April 30, 2015, calculated in accordance with GASB Statement No. 67, was as follows:

Total Pension Liability	\$ 5,274,838
Plan Fiduciary Net Position	<u>2,329,489</u>
Village's Net Pension Liability	<u><u>2,945,349</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.2%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Net Pension Liability – Continued**

See the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

**Annual Pension Costs**

The Village’s actuarial assumptions and related information for each Plan are as follows:

	Illinois Municipal Retirement	Sherrif's Law Enforcement Personnel	Police Pension
Contribution Rates			
Employer	13.57%	15.75%	27.13%
Employee	4.50%	4.50%	9.91%
Actuarial Valuation Date	12/31/14	12/31/14	4/30/2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	29 Years	29 Years	26 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	6.00% Compounded Annually
Projected Salary Increases	.4 to 10%	.4 to 10%	5.00%
Inflation Rate Included	4.00%	4.00%	2.50%
Cost-of-Living Adjustments	3.00%	3.00%	2.00-3.00%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

**NOTE 4 – OTHER INFORMATION – Continued**

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

**Net Pension Obligation/ (Asset)**

Employer annual pension costs (APC), actual contributions and the net pension (asset) (NPA) for the Police Pension Plan are as follows. The (NPA) is the cumulative difference between the APC and the contributions actually made. There was no net pension obligation for the IMRF or the SLEP plan.

Annual Required Contributions	\$ 175,000
Interest on Net Pension (Asset)	(337)
Adjustment to Annual Required Contribution	<u>198</u>
Annual Pension Cost	174,861
Actual Contribution	<u>175,000</u>
Change in (NPA)	(139)
(NPA) - Beginning	<u>(4,820)</u>
(NPA) - Ending	<u><u>(4,959)</u></u>

The above calculation for the Police Pension Fund was based on the Village's private actuarial studies.

**Trend Information**

The trend information for each plan is as follows:

	Fiscal Year	Illinois Municipal Retirement	Sherrif's Law Enforcement Personnel	Police Pension
Annual Pension Cost (APC)	2013	\$ 205,043	\$ 15,334	\$ 236,946
	2014	198,077	19,008	172,882
	2015	211,958	18,419	174,861
Actual Contributions	2013	205,043	15,334	99,645
	2014	198,077	19,008	165,000
	2015	211,958	18,419	175,000
Percentage of APC Contributed	2013	100.00%	100.00%	42.05%
	2014	100.00%	100.00%	95.44%
	2015	100.00%	100.00%	100.08%
Net Pension (Asset)	2013	-	-	(12,702)
	2014	-	-	(4,802)
	2015	-	-	(4,959)

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2015

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

**Funded Status and Funding Progress**

The funded status for each Plan is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC as disclosed in the NPO calculation.

	Illinois Municipal Retirement	Sherrif's Law Enforcement Personnel	Police Pension
Actuarial Valuation Date	12/31/14	12/31/14	4/30/15
Percent Funded	61.72%	84.60%	44.16%
Actuarial Accrued Liability for Benefits	\$ 3,611,489	\$ 481,421	\$ 5,274,838
Actuarial Value of Assets	\$ 2,228,931	\$ 407,275	\$ 2,329,489
(Over) Under Funded Actuarial Accrued Liability (UAAL)	\$ 1,382,558	\$ 74,146	\$ 2,945,349
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$ 1,561,957	\$ 116,945	\$ 645,111
Ratio of UAAL to Covered Payroll	88.51%	63.40%	456.56%

See the schedule of funding progress in the required supplementary information immediately following the notes to the financial statements for additional information related to the funded status of the plans.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2015**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. There has been 0% utilization; therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2015.

## 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:

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

### Notes to the Required Supplementary Information

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2015**

<b>Funding Progress</b>							(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll		
2009	\$ 2,023,261	\$ 3,356,107	60.29%	\$ 1,332,846	\$ 1,454,919	91.61%	
2010	1,247,870	2,865,379	43.55%	1,617,509	1,407,774	114.90%	
2011	1,174,913	2,507,935	46.85%	1,333,022	1,461,983	91.18%	
2012	1,234,362	2,602,350	47.43%	1,367,988	1,426,882	95.87%	
2013	1,813,921	2,962,291	61.23%	1,148,370	1,473,785	77.92%	
2014	2,228,931	3,611,489	61.72%	1,382,558	1,561,957	88.51%	

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 171,541	\$ 171,541	100.00%
2011	169,918	180,899	93.93%
2012	203,287	192,397	105.66%
2013	205,043	205,043	100.00%
2014	198,077	198,077	100.00%
2015	211,958	211,958	100.00%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2015**

<b>Funding Progress</b>						(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	
2009	\$ 207,550	\$ 241,010	86.12%	\$ 33,460	\$ 101,104	33.09%
2010	237,731	271,311	87.62%	33,580	101,619	33.05%
2011	271,317	336,499	80.63%	65,182	111,120	58.66%
2012	309,448	351,505	88.04%	42,057	104,957	40.07%
2013	354,910	414,837	85.55%	59,927	113,209	52.93%
2014	407,275	481,421	84.60%	74,146	116,945	63.40%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 13,807	\$ 13,807	100.00%
2011	14,013	14,013	100.00%
2012	16,168	16,168	100.00%
2013	15,334	15,334	100.00%
2014	19,008	19,008	100.00%
2015	18,419	18,419	100.00%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2015**

**Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30						
2010	\$ 1,383,325	\$ 2,829,426	48.89%	\$ 1,446,101	\$ 563,427	256.66%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,785,656	3,374,232	52.92%	1,588,576	562,926	282.20%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,329,489	5,274,838	44.16%	2,945,349	645,111	456.56%

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 147,537	\$ 151,812	97.18%
2011	194,125	151,812	127.87%
2012	167,000	172,882	96.60%
2013	185,000	173,069	106.89%
2014	165,000	173,069	95.34%
2015	175,000	175,000	100.00%

N/A - Not Available

**VILLAGE OF PALOS PARK, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2015**

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 175,000	\$ 175,000	\$ -	\$ 645,111	27.1%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market
Inflation	2.5%
Salary Increases	5.0
Investment Rate of Return	6.0
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2015

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 198,253
Interest	290,630
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(115,751)</u>
Net Change in Total Pension Liability	373,132
Total Pension Liability - Beginning	<u>4,901,706</u>
Total Pension Liability - Ending	<u><u>5,274,838</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	175,000
Contributions - Members	63,574
Net Investment Income	75,014
Benefit Payments, Including Refunds of Member Contributions	(115,751)
Administrative Expense	<u>-</u>
Net Change in Plan Fiduciary Net Position	197,837
Plan Net Position - Beginning	<u>2,131,652</u>
Plan Net Position - Ending	<u><u>2,329,489</u></u>
Employer's Net Pension Liability	<u><u>2,945,349</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.2%
Covered-Employee Payroll	\$ 645,111
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	456.6%

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2015

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

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, 2015  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14 Actual
	Original and Final Budget	Actual	
<b>Revenues</b>			
Taxes	\$ 2,092,172	2,015,456	2,021,488
Intergovernmental	1,150,037	1,141,071	1,128,198
Licenses and Permits	367,100	500,102	372,638
Charges for Services	168,900	144,435	59,820
Fines and Forfeitures	91,850	97,042	82,972
Interest	510	2,863	(3,188)
Miscellaneous	401,566	402,509	452,117
Total Revenues	<u>4,272,135</u>	<u>4,303,478</u>	<u>4,114,045</u>
<b>Expenditures</b>			
General Government	598,172	567,323	620,088
Public Safety	2,058,936	2,036,386	1,996,363
Public Works	501,570	529,305	528,221
Building and Public Grounds	426,159	409,638	415,951
Culture and Recreation	420,500	471,341	328,863
Capital Outlay	20,750	47,301	37,569
Debt Service			
Principal Retirement	225,000	300,000	240,341
Interest and Fiscal Charges	9,928	12,565	17,791
Total Expenditures	<u>4,261,015</u>	<u>4,373,859</u>	<u>4,185,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,120</u>	<u>(70,381)</u>	<u>(71,142)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	120,000	85,000	85,000
Disposal of Capital Assets	-	-	7,966
Transfers Out	(77,250)	(52,510)	(44,110)
	<u>42,750</u>	<u>32,490</u>	<u>48,856</u>
Net Change in Fund Balance	<u>53,870</u>	(37,891)	(22,286)
Fund Balance - Beginning as Restated		<u>1,616,244</u>	<u>1,514,866</u>
Fund Balance - Ending		<u>1,578,353</u>	<u>1,492,580</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 Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules –Enterprise Funds
- Budgetary Comparison Schedule – Nonmajor Enterprise Fund
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statement – Agency Funds

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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## GENERAL FUND

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

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## SPECIAL REVENUE FUNDS

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

### Motor Fuel Tax Fund

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

### Police Forfeiture Fund

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

### Exaction Fee Fund

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

### Fine Arts Fund

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

### Land Acquisition and Recreation Fund

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

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

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created 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% Sales Tax Fund**

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

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## **ENTERPRISE FUNDS**

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

### **Water Fund**

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

### **Sewer Maintenance Fund**

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

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

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## **ENTERPRISE FUNDS – Continued**

### **Refuse and Recycling Fund**

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

### **Commuter Parking Lot Fund**

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

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

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

### **AGENCY FUNDS**

#### **Special Assessment Funds**

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

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VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended April 30, 2015

(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Taxes			
Property Taxes	\$ 1,331,145	1,283,415	1,259,952
Utility Taxes	514,500	479,923	525,275
Other Taxes	246,527	252,118	236,261
Total Taxes	2,092,172	2,015,456	2,021,488
Intergovernmental			
State Income Tax	474,037	474,689	647,035
Sales Tax	675,000	666,363	472,322
Other	1,000	19	8,841
Total Intergovernmental	1,150,037	1,141,071	1,128,198
Licenses and Permits	367,100	500,102	372,638
Charges for Services	168,900	144,435	59,820
Fines and Forfeitures	91,850	97,042	82,972
Interest	510	2,863	(3,188)
Miscellaneous			
Fees by Agreement	285,083	262,840	403,583
Miscellaneous	116,483	139,669	48,534
Total Miscellaneous	401,566	402,509	452,117
Total Revenues	4,272,135	4,303,478	4,114,045

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended April 30, 2015

(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		
	Original and Final		
	Budget	Actual	4/30/14 Actual
<b>General Government</b>			
Administration			
Wages	\$ 279,284	281,794	278,092
Benefits	76,613	76,631	76,063
Insurance	10,500	4,102	12,711
Legal Fees	48,000	56,779	49,753
Consultants, Engineers and Planners	7,000	180	5,693
Other Contractual Services	39,250	44,671	80,951
Commodities	66,600	56,315	73,045
Public Affairs			
Insurance	1,000	871	1,081
Legal Fees	700	156	-
Consultants, Engineers and Planners	250	-	142
Other Contractual Services	10,300	10,319	11,856
Commodities	2,400	3,006	3,509
Finance			
Wages	99,525	79,578	78,058
Benefits	27,164	22,907	22,376
Insurance	3,500	3,047	4,312
Legal Fees	600	460	1,065
Consultants, Engineers and Planners	44,650	47,987	44,937
Commodities	6,910	4,768	5,453
Other			
Other Contractual Services	3,200	2,586	972
Commodities	5,726	6,166	19
	<u>733,172</u>	<u>702,323</u>	<u>750,088</u>
Less Administrative Charges	(135,000)	(135,000)	(130,000)
Total General Government	<u>598,172</u>	<u>567,323</u>	<u>620,088</u>
<b>Public Safety</b>			
Wages	1,248,976	1,199,813	1,200,973
Benefits	440,310	441,593	405,578
Insurance	41,000	45,524	48,412
Legal Fees	40,000	43,474	40,481

**VILLAGE OF PALOS PARK, ILLINOIS**

**General Fund**

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

**For the Fiscal Year Ended April 30, 2015**

**(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)**

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
<b>Public Safety - Continued</b>			
Other Contractual Services	\$ 160,100	198,510	175,686
Commodities	128,550	107,472	125,233
<b>Total Public Safety</b>	<b>2,058,936</b>	<b>2,036,386</b>	<b>1,996,363</b>
<b>Public Works</b>			
Wages	225,875	235,777	235,834
Benefits	99,645	104,794	93,193
Insurance	11,000	11,051	12,439
Legal Fees	750	714	214
Consultants, Engineers and Planners	2,000	-	2,250
Other Contractual Services	112,350	139,477	119,891
Commodities	49,950	37,492	64,400
<b>Total Public Works</b>	<b>501,570</b>	<b>529,305</b>	<b>528,221</b>
<b>Building and Public Grounds</b>			
<b>Building</b>			
Wages	162,616	163,106	150,394
Benefits	57,193	42,738	42,754
Insurance	5,500	4,789	6,701
Legal Fees	9,000	29,686	12,099
Consultants, Engineers and Planners	39,500	28,398	21,473
Other Contractual Services	13,350	15,900	52,359
Commodities	9,200	9,615	6,694
<b>Public Grounds</b>			
Other Contractual Services	123,450	111,555	115,797
Commodities	6,350	3,851	7,680
<b>Total Building and Public Grounds</b>	<b>426,159</b>	<b>409,638</b>	<b>415,951</b>

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended April 30, 2015

(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original Budget	Actual	Actual
Culture and Recreation			
Recreation			
Wages	\$ 161,905	172,772	149,734
Benefits	56,665	61,970	34,703
Insurance	8,000	6,966	20,767
Legal Fees	5,650	321	-
Other Contractual Services	69,400	87,131	78,066
Commodities	45,680	46,003	39,253
Festivals			
Other Contractual Services	54,810	87,635	-
Commodities	18,390	8,543	6,340
Total Culture and Recreation	420,500	471,341	328,863
Capital Outlay			
Administrative	13,250	22,687	37,569
Recreation	7,500	24,614	-
Total Capital Outlay	20,750	47,301	37,569
Debt Service			
Principal Retirement	225,000	300,000	240,341
Interest and Fiscal Charges	9,928	12,565	17,791
Total Debt Service	234,928	312,565	258,132
Total Expenditures	4,261,015	4,373,859	4,185,187

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet  
April 30, 2015

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	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 408,750	676,700	1,085,450
Receivables - Net of Allowances			
Other Taxes	-	41,200	41,200
Due from Other Governments	11,273	-	11,273
Total Assets	420,023	717,900	1,137,923
<b>LIABILITES</b>			
Accounts Payable	160	4,424	4,584
<b>FUND BALANCES</b>			
Restricted	379,938	713,476	1,093,414
Assigned	39,925	-	39,925
Total Fund Balances	419,863	713,476	1,133,339
Total Liabilities and Fund Balances	420,023	717,900	1,137,923

**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, 2015**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Taxes	\$ -	170,233	170,233
Intergovernmental	145,937	-	145,937
Fines and Forfeitures	87,869	-	87,869
Interest	380	118	498
Miscellaneous	18,113	-	18,113
Total Revenues	252,299	170,351	422,650
<b>Expenditures</b>			
Public Safety	65,509	-	65,509
Public Works	78,355	-	78,355
Building and Grounds	-	38,383	38,383
Capital Outlay	133,870	249,453	383,323
Debt Service			
Principal Retirement	25,000	7,910	32,910
Interest and Fiscal Charges	18,349	406	18,755
Total Expenditures	321,083	296,152	617,235
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>			
	(68,784)	(125,801)	(194,585)
<b>Other Financing Sources (Uses)</b>			
Transfers In	43,349	40,000	83,349
Transfers Out	(80,839)	-	(80,839)
	(37,490)	40,000	2,510
<b>Net Change in Fund Balances</b>			
	(106,274)	(85,801)	(192,075)
<b>Fund Balances - Beginning</b>			
	526,137	799,277	1,325,414
<b>Fund Balances - Ending</b>			
	419,863	713,476	1,133,339

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet  
April 30, 2015

	Motor Fuel Tax	Police Forfeiture	Exaction Fee	Fine Arts	Land Acquisition and Recreation	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 244,851	123,974	-	30,512	9,413	408,750
Due from Other Governments	11,273	-	-	-	-	11,273
Total Assets	256,124	123,974	-	30,512	9,413	420,023
<b>LIABILITIES</b>						
Accounts Payable	-	160	-	-	-	160
<b>FUND BALANCES</b>						
Restricted	256,124	123,814	-	-	-	379,938
Assigned	-	-	-	30,512	9,413	39,925
Total Fund Balances	256,124	123,814	-	30,512	9,413	419,863
Total Liabilities and Fund Balances	256,124	123,974	-	30,512	9,413	420,023

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, 2015

	Motor Fuel Tax	Police Forfeiture	Exaction Fee	Fine Arts	Land Acquisition and Recreation	Totals
<b>Revenues</b>						
Intergovernmental	\$ 145,937	-	-	-	-	145,937
Fines and Forfeitures	-	87,869	-	-	-	87,869
Interest	40	340	-	-	-	380
Miscellaneous	-	-	18,113	-	-	18,113
<b>Total Revenues</b>	<b>145,977</b>	<b>88,209</b>	<b>18,113</b>	<b>-</b>	<b>-</b>	<b>252,299</b>
<b>Expenditures</b>						
Public Safety	-	65,509	-	-	-	65,509
Public Works	78,355	-	-	-	-	78,355
Capital Outlay	95,219	38,651	-	-	-	133,870
Debt Service						
Principal Retirement	-	-	-	-	25,000	25,000
Interest and Fiscal Charges	-	-	-	-	18,349	18,349
<b>Total Expenditures</b>	<b>173,574</b>	<b>104,160</b>	<b>-</b>	<b>-</b>	<b>43,349</b>	<b>321,083</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(27,597)</b>	<b>(15,951)</b>	<b>18,113</b>	<b>-</b>	<b>(43,349)</b>	<b>(68,784)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	-	43,349	43,349
Transfers Out	-	(50,000)	(30,839)	-	-	(80,839)
	-	(50,000)	(30,839)	-	43,349	(37,490)
<b>Net Change in Fund Balances</b>	<b>(27,597)</b>	<b>(65,951)</b>	<b>(12,726)</b>	<b>-</b>	<b>-</b>	<b>(106,274)</b>
<b>Fund Balances - Beginning</b>	<b>283,721</b>	<b>189,765</b>	<b>12,726</b>	<b>30,512</b>	<b>9,413</b>	<b>526,137</b>
<b>Fund Balances - Ending</b>	<b>256,124</b>	<b>123,814</b>	<b>-</b>	<b>30,512</b>	<b>9,413</b>	<b>419,863</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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14 Actual
	Original and Final Budget	Actual	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 135,782	145,937	153,600
Interest	75	40	63
Total Revenues	<u>135,857</u>	<u>145,977</u>	<u>153,663</u>
Expenditures			
Public Works			
Commodities	103,000	78,355	101,954
Services	7,500	-	70,000
Capital Outlay	125,000	95,219	-
Total Expenditures	<u>235,500</u>	<u>173,574</u>	<u>171,954</u>
Net Change in Fund Balance	<u>(99,643)</u>	(27,597)	(18,291)
Fund Balance - Beginning		<u>283,721</u>	<u>302,012</u>
Fund Balance - Ending		<u>256,124</u>	<u>283,721</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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
<b>Revenues</b>			
Fines and Forfeitures	\$ -	87,869	64,186
Interest	750	340	858
Miscellaneous	-	-	3,086
Total Revenues	750	88,209	68,130
<b>Expenditures</b>			
Public Safety			
Commodities	6,190	9,887	9,491
Services	33,000	55,622	32,001
Capital Outlay	52,085	38,651	48,353
Total Expenditures	91,275	104,160	89,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,525)	(15,951)	(21,715)
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	8,220
Transfers Out	(50,000)	(50,000)	(50,000)
	(50,000)	(50,000)	(41,780)
Net Change in Fund Balance	(140,525)	(65,951)	(63,495)
Fund Balance - Beginning		189,765	253,260
Fund Balance - Ending		123,814	189,765

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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Revenues			
Intergovernmental	\$ -	-	168,750
Interest	-	-	3
Total Revenues	-	-	168,753
Expenditures			
Culture and Recreation	3,250	-	212,463
Debt Service			
Principal Retirement	25,000	25,000	25,000
Interest and Fiscal Charges	18,348	18,349	18,969
Total Expenditures	46,598	43,349	256,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,598)	(43,349)	(87,679)
Other Financing Sources			
Transfers In	37,250	43,349	-
Net Change in Fund Balance	<u>(9,348)</u>	-	(87,679)
Fund Balance - Beginning		9,413	97,092
Fund Balance - Ending		<u>9,413</u>	<u>9,413</u>

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2015

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	Capital Improvements	1% Sales Tax	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 435,174	241,526	676,700
Receivables - Net of Allowances Sales Tax	-	41,200	41,200
Total Assets	<u>435,174</u>	<u>282,726</u>	<u>717,900</u>
<b>LIABILITIES</b>			
Accounts Payable	-	4,424	4,424
<b>FUND BALANCES</b>			
Restricted	<u>435,174</u>	<u>278,302</u>	<u>713,476</u>
Total Liabilities and Fund Balances	<u>435,174</u>	<u>282,726</u>	<u>717,900</u>

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2015

	Capital Improvements	1% Sales Tax	Totals
<b>Revenues</b>			
Taxes	\$ -	170,233	170,233
Intergovernmental	-	-	-
Interest	59	59	118
Miscellaneous	-	-	-
Total Revenues	59	170,292	170,351
<b>Expenditures</b>			
Building and Grounds	37,225	1,158	38,383
Capital Outlay	-	249,453	249,453
Debt Service			
Principal Retirement	-	7,910	7,910
Interest and Fiscal Charges	-	406	406
Total Expenditures	37,225	258,927	296,152
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,166)	(88,635)	(125,801)
Other Financing Sources			
Transfers In	40,000	-	40,000
Net Change in Fund Balances	2,834	(88,635)	(85,801)
Fund Balances - Beginning	432,340	366,937	799,277
Fund Balances - Ending	435,174	278,302	713,476

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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Revenues			
Interest	\$ -	59	75
Expenditures			
Building and Grounds	-	37,225	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(37,166)	75
Other Financing Sources			
Transfers In	40,000	40,000	40,000
Net Change in Fund Balance	<u>40,000</u>	2,834	40,075
Fund Balance - Beginning		<u>432,340</u>	<u>392,265</u>
Fund Balance - Ending		<u>435,174</u>	<u>432,340</u>

VILLAGE OF PALOS PARK, ILLINOIS

1% Sales Tax - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended April 30, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 174,750	170,233	172,620
Interest	60	59	66
Total Revenues	<u>174,810</u>	<u>170,292</u>	<u>172,686</u>
Expenditures			
Building and Grounds			
Services	2,000	-	1,005
Commodities	4,000	1,158	4,000
Capital Outlay	261,000	249,453	128,152
Debt Service			
Principal Retirement	7,910	7,910	11,441
Interest and Fiscal Charges	406	406	1,032
Total Expenditures	<u>275,316</u>	<u>258,927</u>	<u>145,630</u>
Net Change in Fund Balance	<u>(100,506)</u>	(88,635)	27,056
Fund Balance - Beginning		<u>366,937</u>	<u>339,881</u>
Fund Balance - Ending		<u>278,302</u>	<u>366,937</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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 1,735,820	1,754,747	1,817,465
Sale of Water Meters	3,000	5,484	4,445
Miscellaneous	950	23,112	31,662
Total Operating Revenues	<u>1,739,770</u>	<u>1,783,343</u>	<u>1,853,572</u>
Operating Expenses			
Personnel	425,246	449,812	477,711
Commodities	214,350	180,573	64,259
Water Purchases	625,000	624,729	612,530
Services	258,942	268,870	404,683
Capital Outlay	168,526	112,156	31,335
Total Operating Expenses	<u>1,692,064</u>	<u>1,636,140</u>	<u>1,590,518</u>
Operating Income	<u>47,706</u>	<u>147,203</u>	<u>263,054</u>
Nonoperating Revenues (Expenses)			
Interest Income	50	955	(1,484)
Rental Income	47,927	25,423	55,715
Tap-On Fees	14,500	5,000	44,217
Principal Retirement	(144,165)	(140,465)	(137,230)
Interest Expense	(75,280)	(62,589)	(77,570)
	<u>(156,968)</u>	<u>(171,676)</u>	<u>(116,352)</u>
Income (Loss) Before Transfers	(109,262)	(24,473)	146,702
Transfers Out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(32,055)</u>
Income (Loss) Before GAAP Adjustments	<u>(139,262)</u>	(54,473)	114,647
Principal Retirement		140,465	137,230
Capitalized Assets		81,449	28,119
Depreciation		<u>(482,802)</u>	<u>(470,622)</u>
Change in Net Position		(315,361)	(190,626)
Net Position - Beginning		<u>11,318,828</u>	<u>11,509,454</u>
Net Position - Ending		<u>11,003,467</u>	<u>11,318,828</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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 520,720	487,216	515,039
Miscellaneous	1,000	9,292	1,200
Total Operating Revenues	<u>521,720</u>	<u>496,508</u>	<u>516,239</u>
Operating Expenses			
Personnel	173,599	149,701	167,061
Commodities	76,300	49,234	18,136
Services	124,200	72,263	138,292
Capital Outlay	110,750	94,499	96,221
Total Operating Expenses	<u>484,849</u>	<u>365,697</u>	<u>419,710</u>
Operating Income	<u>36,871</u>	<u>130,811</u>	<u>96,529</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	24	49
Tap-On Fees	-	-	31,289
Principal Retirement	(40,155)	(40,155)	(41,921)
Interest Expense	(10,163)	(8,718)	(10,913)
	<u>(50,318)</u>	<u>(48,849)</u>	<u>(21,496)</u>
Income (Loss) Before Transfers	(13,447)	81,962	75,033
Transfers In	30,000	30,000	30,000
Transfers Out	-	-	(2,055)
Income Before GAAP Adjustments	<u>16,553</u>	111,962	102,978
Principal Retirement		40,155	41,921
Capitalized Assets		75,584	78,212
Depreciation		<u>(478,912)</u>	<u>(466,992)</u>
Change in Net Position		(251,211)	(243,881)
Net Position - Beginning		<u>10,146,738</u>	<u>10,390,619</u>
Net Position - Ending		<u>9,895,527</u>	<u>10,146,738</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, 2015  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)**

	<u>4/30/15</u>		<u>4/30/14</u> Actual
	Original and Final Budget	Actual	
Operating Revenues			
Charges for Services	\$ 325,000	334,112	328,314
Operating Expenses			
Services	<u>303,258</u>	<u>310,069</u>	<u>303,759</u>
Income (Loss) Before Transfers	21,742	24,043	24,555
Transfers Out	<u>(70,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>
Change in Net Position	<u><u>(48,258)</u></u>	(10,957)	(10,445)
Net Position - Beginning		<u>14,946</u>	<u>25,391</u>
Net Position - Ending		<u><u>3,989</u></u>	<u><u>14,946</u></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, 2015  
 (with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)

	4/30/15		4/30/14
	Original and Final Budget	Actual	Actual
Operating Revenues			
Charges for Services	\$ 88,500	88,986	87,443
Operating Expenses			
Commodities	60,750	47,215	37,200
Services	27,900	32,989	49,562
Capital Outlay	-	-	4,000
Total Operating Expenses	88,650	80,204	90,762
Operating Income (Loss)	(150)	8,782	(3,319)
Nonoperating Revenues			
Interest Income	150	143	156
Change in Net Position	<u>-</u>	8,925	(3,163)
Net Position - Beginning		<u>36,745</u>	<u>39,908</u>
Net Position - Ending		<u>45,670</u>	<u>36,745</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, 2015  
(with Comparative Actual Amounts for the Fiscal Year Ended April 30, 2014)**

	4/30/15		4/30/14 Actual
	Original and Final Budget	Actual	
<b>Additions</b>			
Contributions - Employer	\$ 175,000	175,000	165,000
Contributions - Plan Members	66,250	63,574	64,995
Total Contributions	<u>241,250</u>	<u>238,574</u>	<u>229,995</u>
<b>Investment Income</b>			
Interest Earned	45,000	85,375	29,296
Net Change in Fair Value	-	-	-
	<u>45,000</u>	<u>85,375</u>	<u>29,296</u>
Less Investment Expenses	(8,000)	(10,361)	(8,859)
Net Investment Income	<u>37,000</u>	<u>75,014</u>	<u>20,437</u>
Total Additions	<u>278,250</u>	<u>313,588</u>	<u>250,432</u>
<b>Deductions</b>			
Administration	700	-	-
Benefits and Refunds	106,850	115,751	112,104
Total Deductions	<u>107,550</u>	<u>115,751</u>	<u>112,104</u>
Change in Net Position	<u>170,700</u>	197,837	138,328
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning		<u>2,131,652</u>	<u>1,993,324</u>
Ending		<u>2,329,489</u>	<u>2,131,652</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2015**

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**See Following Page**

VILLAGE OF PALOS PARK, ILLINOIS

Agency Funds

Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2015

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,409,831	449,422	560,024	2,299,229
<b>LIABILITIES</b>				
Due to Bondholders	2,409,831	449,422	560,024	2,299,229
<b>Special Assessment Fund #9</b>				
<b>ASSETS</b>				
Cash and Investments	121,316	-	24	121,292
<b>LIABILITIES</b>				
Due to Bondholders	121,316	-	24	121,292
<b>Special Assessment Fund #11</b>				
<b>ASSETS</b>				
Cash and Investments	91,973	-	19	91,954
<b>LIABILITIES</b>				
Due to Bondholders	91,973	-	19	91,954
<b>Special Assessment Fund #12</b>				
<b>ASSETS</b>				
Cash and Investments	182,476	-	36	182,440
<b>LIABILITIES</b>				
Due to Bondholders	182,476	-	36	182,440
<b>Special Assessment Fund #93-1</b>				
<b>ASSETS</b>				
Cash and Investments	548,686	10,351	-	559,037
<b>LIABILITIES</b>				
Due to Bondholders	548,686	10,351	-	559,037

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Special Assessment Fund #96-1A</b>				
<b>ASSETS</b>				
Cash and Investments	218,317	58,431	14,860	261,888
<b>LIABILITIES</b>				
Due to Bondholders	218,317	58,431	14,860	261,888
<b>Special Assessment Fund #96-1B</b>				
<b>ASSETS</b>				
Cash and Investments	303,042	146,161	207,704	241,499
<b>LIABILITIES</b>				
Due to Bondholders	303,042	146,161	207,704	241,499
<b>Special Assessment Fund #13A</b>				
<b>ASSETS</b>				
Cash and Investments	305,422	60,999	91,482	274,939
<b>LIABILITIES</b>				
Due to Bondholders	305,422	60,999	91,482	274,939
<b>Special Assessment Fund #13B</b>				
<b>ASSETS</b>				
Cash and Investments	638,599	173,480	245,899	566,180
<b>LIABILITIES</b>				
Due to Bondholders	638,599	173,480	245,899	566,180

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2004  
April 30, 2015**

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

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

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 35,000	7,065	42,065
2017	35,000	5,752	40,752
2018	35,000	4,405	39,405
2019	35,000	3,040	38,040
2020	40,000	1,640	41,640
	<u>180,000</u>	<u>21,902</u>	<u>201,902</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2005  
April 30, 2015**

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

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

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 35,000	6,913	41,913
2017	35,000	5,565	40,565
2018	35,000	4,200	39,200
2019	35,000	2,817	37,817
2020	35,000	1,417	36,417
	<u>175,000</u>	<u>20,912</u>	<u>195,912</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bonds of 2010  
April 30, 2015**

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

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

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 70,000	55,495	125,495
2017	75,000	53,605	128,605
2018	75,000	51,580	126,580
2019	80,000	49,180	129,180
2020	85,000	46,620	131,620
2021	85,000	43,390	128,390
2022	90,000	40,160	130,160
2023	95,000	36,560	131,560
2024	100,000	32,760	132,760
2025	105,000	28,760	133,760
2026	105,000	24,403	129,403
2027	110,000	20,045	130,045
2028	115,000	15,480	130,480
2029	120,000	10,535	130,535
2030	125,000	5,375	130,375
	<u>1,435,000</u>	<u>513,948</u>	<u>1,948,948</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**Debt Certificates of 2006**

**April 30, 2015**

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	Requirements		Totals
	Principal	Interest	
2016	\$ 30,000	16,588	46,588
2017	30,000	15,397	45,397
2018	30,000	14,188	44,188
2019	30,000	12,964	42,964
2020	35,000	11,728	46,728
2021	35,000	10,272	45,272
2022	35,000	8,802	43,802
2023	40,000	7,323	47,323
2024	40,000	5,617	45,617
2025	45,000	3,901	48,901
2026	45,000	1,957	46,957
	<u>395,000</u>	<u>108,737</u>	<u>503,737</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

**Long-Term Debt Requirements**

**Installment Contract Payable of 2010  
April 30, 2015**

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Date of Issue	October 29, 2010
Date of Maturity	October 29, 2015
Authorized Issue	\$37,300
Interest Rate	3.99%
Interest Dates	October 29 and April 29
Principal Maturity Dates	October 29 and April 29
Payable at	First Midwest Bank

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

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 7,841	166	8,007

## **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, 2015 (Unaudited)**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\*  
April 30, 2015 (Unaudited)**

	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 2,108,522	2,997,346	3,151,308	3,292,655
Restricted	142,385	150,945	122,866	127,819
Unrestricted	1,632,543	1,523,471	1,532,600	1,351,511
<b>Total Governmental   Activities Net Position</b>	<b>3,883,450</b>	<b>4,671,762</b>	<b>4,806,774</b>	<b>4,771,985</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	20,981,990	21,036,524	21,036,524	21,891,367
Unrestricted	1,546,673	1,807,134	1,807,134	1,616,093
<b>Total Business-Type   Activities Net Position</b>	<b>22,528,663</b>	<b>22,843,658</b>	<b>22,843,658</b>	<b>23,507,460</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	23,090,512	24,033,870	24,187,832	25,184,022
Restricted	142,385	150,945	122,866	127,819
Unrestricted	3,179,216	3,330,605	3,339,734	2,967,604
<b>Total Primary Government   Net Position</b>	<b>26,412,113</b>	<b>27,515,420</b>	<b>27,650,432</b>	<b>28,279,445</b>

Data Source: Audited Financial Statements

2010	2011	2012	2013	2014	2015
3,273,865	3,466,820	3,585,298	3,833,183	4,026,741	4,072,934
191,552	841,928	1,202,700	1,300,144	1,285,489	1,370,146
1,390,918	1,719,120	1,584,791	1,427,640	1,312,363	1,142,238
4,856,335	6,027,868	6,372,789	6,560,967	6,624,593	6,585,318
22,337,788	20,857,596	20,116,269	19,433,528	18,781,396	18,200,951
803,652	1,993,789	2,355,704	2,531,844	2,735,861	2,747,702
23,141,440	22,851,385	22,471,973	21,965,372	21,517,257	20,948,653
25,611,653	24,324,416	23,701,567	23,266,711	22,808,137	22,273,885
191,552	841,928	1,202,700	1,300,144	1,285,489	1,370,146
2,194,570	3,712,909	3,940,495	3,959,484	4,048,224	3,889,940
27,997,775	28,879,253	28,844,762	28,526,339	28,141,850	27,533,971

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years\*  
April 30, 2015 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 1,474,444	1,534,581	1,581,849	1,582,287	1,374,284	1,243,199	1,493,087	1,255,154	1,248,865	1,082,473
Public Safety	1,687,093	1,643,589	1,946,030	1,926,213	1,873,156	1,861,070	1,930,667	2,076,275	2,084,277	2,113,476
Public Works	379,832	550,148	676,962	530,728	578,961	537,325	637,683	480,874	742,048	1,000,130
Cultural and Recreation	333,239	314,641	312,111	331,727	309,727	280,567	296,926	364,858	565,181	483,981
Solid Waste	224,678	235,692	245,040	252,592	263,727	276,741	286,300	-	-	-
Interest on Long-Term Debt	106,592	115,360	123,393	102,709	76,830	55,392	49,317	43,988	35,460	24,007
Total Governmental Activities Expenses	4,205,878	4,394,011	4,885,385	4,726,256	4,476,685	4,254,294	4,693,980	4,221,149	4,675,831	4,704,067
Business-Type Activities										
Water and Sanitary Sewer	1,810,882	1,726,815	2,035,159	2,324,354	2,381,382	2,474,221	2,554,123	2,868,890	2,929,994	2,877,825
Refuse and Recycling	-	-	-	-	-	-	-	296,803	303,759	310,069
Commuter Lot	27,900	99,572	72,197	106,159	72,485	76,703	70,087	86,729	90,762	80,204
Total Business-Type Activities Expenses	1,838,782	1,826,387	2,107,356	2,430,513	2,453,867	2,550,924	2,624,210	3,252,422	3,324,515	3,268,098
Total Primary Government Expenses	6,044,660	6,220,398	6,992,741	7,156,769	6,930,552	6,805,218	7,318,190	7,473,571	8,000,346	7,972,165
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government	532,406	716,318	833,448	625,524	529,574	697,717	708,470	711,316	651,345	500,102
Public Safety	269,785	196,069	261,094	229,111	319,211	843,639	75,920	124,343	148,039	184,911
Public Works	14,371	574	2,884	-	4,500	9,852	12,530	12,583	11,174	-
Cultural and Recreation	207,246	203,801	226,646	188,003	172,160	161,816	157,271	171,763	187,498	144,435
Solid Waste	227,895	238,554	245,708	256,041	274,995	303,628	314,705	-	-	-
Operating Grants/Contributions	400,799	210,353	159,700	189,263	128,535	154,832	274,280	202,430	331,191	145,937
Capital Grants/Contributions	-	520,000	-	20,000	14,020	-	-	-	-	-
Total Governmental Activities Program Revenues	1,652,502	2,085,669	1,729,480	1,507,942	1,442,995	2,171,484	1,543,176	1,222,435	1,329,247	975,385
Business-Type Activities										
Charges for Services										
Water and Sanitary Sewer	1,034,408	979,388	1,079,585	1,299,481	1,930,305	2,168,890	2,155,904	2,360,503	2,445,317	2,279,851
Refuse and Recycling	-	-	-	-	-	-	-	322,194	328,314	334,112
Commuter Lot	27,265	70,801	92,739	92,038	82,303	82,105	86,417	87,093	87,443	88,986
Operating and Capital Grants	-	-	-	-	-	2,358	-	-	-	-
Capital Grants and Contributions	-	510,000	2,231,197	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	1,061,673	1,560,189	3,403,521	1,391,519	2,012,608	2,253,353	2,242,321	2,769,790	2,861,074	2,702,949
Total Primary Government Program Revenues	2,714,175	3,645,858	5,133,001	2,899,461	3,455,603	4,424,837	3,785,497	3,992,225	4,190,321	3,678,334

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (2,553,376)	(2,308,342)	(3,155,905)	(3,218,314)	(3,033,690)	(2,082,810)	(3,150,804)	(2,998,714)	(3,346,584)	(3,728,682)
Business-Type Activities	(777,109)	(266,198)	1,296,165	(1,038,994)	(441,259)	(297,571)	(381,889)	(482,632)	(463,441)	(565,149)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>(3,330,485)</b>	<b>(2,574,540)</b>	<b>(1,859,740)</b>	<b>(4,257,308)</b>	<b>(3,474,949)</b>	<b>(2,380,381)</b>	<b>(3,532,693)</b>	<b>(3,481,346)</b>	<b>(3,810,025)</b>	<b>(4,293,831)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Taxes										
Property	899,096	956,234	1,014,455	1,053,410	1,179,055	1,232,400	1,206,448	1,212,953	1,259,952	1,283,415
Sales	849,185	890,588	943,390	858,847	785,862	836,166	855,009	846,009	819,655	836,596
Income	358,296	395,205	431,732	427,237	372,418	365,586	393,386	436,814	472,322	474,689
Utility	654,620	558,092	603,983	620,803	554,177	547,238	535,051	507,016	525,275	479,923
Other	187,788	147,006	151,077	152,995	179,842	239,702	243,637	233,195	236,261	252,118
Investment Income	48,715	90,893	65,619	30,646	5,403	13,018	14,298	6,034	(2,121)	3,361
Miscellaneous	62,566	59,050	80,661	39,587	41,283	20,233	29,815	39,355	51,790	420,641
Gain on Sale of Capital Assets	8,297	-	-	-	-	-	113,971	1,406	7,966	-
Transfers	-	-	-	-	-	-	4,110	4,110	39,110	35,000
<b>Total Governmental Activities</b>	<b>3,068,563</b>	<b>3,097,068</b>	<b>3,290,917</b>	<b>3,183,525</b>	<b>3,118,040</b>	<b>3,254,343</b>	<b>3,395,725</b>	<b>3,286,892</b>	<b>3,410,210</b>	<b>3,785,743</b>
<b>Business-Type Activities</b>										
Investment Income	50,846	93,701	87,519	30,254	3,894	7,516	6,587	2,574	(1,279)	1,122
Miscellaneous	305,825	487,492	152,630	136,228	71,345	-	-	14,364	55,715	30,423
Transfers	-	-	-	-	-	-	(4,110)	(4,110)	(39,110)	(35,000)
<b>Total Business-Type Activities</b>	<b>356,671</b>	<b>581,193</b>	<b>240,149</b>	<b>166,482</b>	<b>75,239</b>	<b>7,516</b>	<b>2,477</b>	<b>12,828</b>	<b>15,326</b>	<b>(3,455)</b>
<b>Total Primary Government</b>	<b>3,425,234</b>	<b>3,678,261</b>	<b>3,531,066</b>	<b>3,350,007</b>	<b>3,193,279</b>	<b>3,261,859</b>	<b>3,398,202</b>	<b>3,299,720</b>	<b>3,425,536</b>	<b>3,782,288</b>
<b>Changes in Net Position</b>										
Governmental Activities	515,187	788,726	135,012	(34,789)	84,350	1,171,533	244,921	288,178	63,626	57,061
Business-Type Activities	(420,438)	314,995	1,536,314	(872,512)	(366,020)	(290,055)	(379,412)	(469,804)	(448,115)	(568,604)
<b>Total Primary Government</b>	<b>94,749</b>	<b>1,103,721</b>	<b>1,671,326</b>	<b>(907,301)</b>	<b>(281,670)</b>	<b>881,478</b>	<b>(134,491)</b>	<b>(181,626)</b>	<b>(384,489)</b>	<b>(511,543)</b>

Data Source: Audited Financial Statements

**VILLAGE OF PALOS PARK, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**April 30, 2015 (Unaudited)**

	2006	2007	2008
General Fund			
Reserved	\$ 39,324	40,754	81,614
Unreserved	1,326,285	1,329,466	1,181,635
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	-	-	-
Total General Fund	<u>1,365,609</u>	<u>1,370,220</u>	<u>1,263,249</u>
All Other Governmental Funds			
Reserved	142,385	150,945	122,866
Unreserved, Reported in,			
Special Revenue Funds	145,173	127,168	136,550
Debt Service Funds			
Capital Projects Funds	297,920	387,106	464,760
Assigned	-	-	-
Restricted	-	-	-
Total All Other Governmental Funds	<u>585,478</u>	<u>665,219</u>	<u>724,176</u>

Data Source: Audited Financial Statements

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

2009	2010	2011	2012	2013	2014	2015
53,247	58,168	60,215	-	-	-	-
1,017,976	922,908	1,123,958	-	-	-	-
-	-	-	63,632	62,707	54,255	50,988
-	-	-	-	-	-	276,732
-	-	-	1,336,321	1,452,159	1,438,325	1,250,633
1,071,223	981,076	1,184,173	1,399,953	1,514,866	1,492,580	1,578,353
127,819	195,372	841,928	-	-	-	-
150,721	90,143	48,281	-	-	-	-
413,848	491,926	635,138	-	-	-	-
-	-	-	202,005	127,629	39,925	39,925
-	-	-	1,202,700	1,300,144	1,285,489	1,093,414
692,388	777,441	1,525,347	1,404,705	1,427,773	1,325,414	1,133,339

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\*  
 April 30, 2015 (Unaudited)

	2006	2007	2008
Revenues			
Taxes	\$ 2,907,333	2,947,124	3,144,638
Licenses and Permits	415,187	505,647	653,044
Intergovernmental	400,799	210,353	159,700
Charges for Services	148,983	141,641	98,185
Fees by Agreement	541,766	596,859	620,443
Fines and Forfeitures	181,181	111,170	187,507
Investment Income	48,721	90,893	65,619
Miscellaneous	68,798	59,050	91,261
Total Revenues	<u>4,712,768</u>	<u>4,662,737</u>	<u>5,020,397</u>
Expenditures			
General Government	752,113	776,445	808,306
Public Safety	1,630,788	1,605,648	1,871,600
Public Works	409,751	403,892	524,083
Building and Public Grounds	719,372	637,357	661,585
Culture and Recreation	325,699	290,774	304,706
Solid Waste	224,678	235,692	245,040
Capital Outlay	349,064	911,786	239,689
Debt Service			
Principal Retirement	252,000	271,192	293,506
Interest	107,006	115,774	123,135
Total Expenditures	<u>4,770,471</u>	<u>5,248,560</u>	<u>5,071,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,703)</u>	<u>(585,823)</u>	<u>(51,253)</u>
Other Financing Sources (Uses)			
Transfer In	89,973	60,200	122,358
Transfer Out	(89,973)	(60,200)	(122,358)
Issuance of Debt	-	-	-
Premium/Discount on Installment Contracts	109,429	653,599	-
Proceeds from Sale of Capital Assets	17,281	16,576	3,239
Payment to Refunded Bond Escrow Agent	-	-	-
	<u>126,710</u>	<u>670,175</u>	<u>3,239</u>
Net Change in Fund Balances	<u>69,007</u>	<u>84,352</u>	<u>(48,014)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>8.12%</u>	<u>8.54%</u>	<u>8.40%</u>

Data Source: Audited Financial Statements

2009	2010	2011	2012	2013	2014	2015
3,113,292	3,071,354	3,221,092	3,233,531	2,133,625	2,194,108	2,185,689
482,959	467,581	471,279	482,653	459,802	372,638	500,102
217,936	147,732	163,410	275,619	1,305,910	1,451,972	1,287,008
79,528	50,405	40,464	49,747	59,346	73,253	144,435
609,133	619,316	652,044	660,796	379,232	403,583	-
110,902	154,210	844,287	74,361	120,507	147,158	184,911
30,646	5,403	13,018	14,298	6,034	(2,121)	3,361
47,071	35,034	20,233	29,815	39,355	51,790	420,622
4,691,467	4,551,035	5,425,827	4,820,820	4,503,811	4,692,381	4,726,128
712,090	736,570	674,934	609,448	604,675	620,088	567,323
1,873,619	1,789,273	1,863,219	1,869,168	1,960,561	2,037,855	2,101,895
553,425	533,843	509,153	570,036	515,661	700,175	607,660
779,371	593,998	568,127	793,050	550,995	549,108	448,021
309,125	301,616	272,696	288,737	356,397	556,380	471,341
252,592	263,727	276,741	286,300	-	-	-
120,288	23,157	34,015	100,739	63,830	85,922	430,624
282,256	282,279	258,555	274,553	275,239	276,782	332,910
106,693	97,141	54,684	51,732	43,988	37,792	31,320
4,989,459	4,621,604	4,512,124	4,843,763	4,371,346	4,864,102	4,991,094
(297,992)	(70,569)	913,703	(22,943)	132,465	(171,721)	(264,966)
132,072	266,116	171,182	138,220	118,220	133,220	168,349
(132,072)	(266,116)	(171,182)	(134,110)	(114,110)	(94,110)	(133,349)
-	12,207	37,300	-	-	-	-
31,316	1,085,000	-	-	-	-	-
42,862	1,259	-	113,971	1,406	7,966	-
-	(1,032,991)	-	-	-	-	-
74,178	65,475	37,300	118,081	5,516	47,076	35,000
(223,814)	(5,094)	951,003	95,138	137,981	(124,645)	(229,966)
8.02%	8.25%	6.99%	6.80%	7.62%	6.63%	7.47%

## VILLAGE OF PALOS PARK, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2015 (Unaudited)

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Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Valuation
2005	\$ 183,079,351	\$ 21,287,113	\$ 9,448,761	\$ 33,778
2006	187,992,725	21,840,193	9,702,412	34,707
2007	199,888,492	23,222,193	10,316,359	36,902
2008	234,150,430	27,306,755	12,130,909	43,392
2009	253,140,363	29,408,767	13,064,719	46,732
2010	258,132,898	29,988,778	13,322,387	47,654
2011	206,366,428	23,974,842	10,650,690	38,099
2012	191,763,106	22,277,062	9,897,182	35,403
2013	180,695,631	20,991,357	9,325,973	33,360
2014	173,755,506	20,185,124	8,967,782	32,079

Data Source: Office of the County Clerk

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

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

Railroad Valuation	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 75,355	\$ 213,924,358	0.4330	\$ 641,773,074	33.33%
95,620	219,665,657	0.4450	658,996,971	33.33%
101,672	233,565,618	0.4350	700,696,854	33.33%
119,555	273,751,041	0.4020	821,253,123	33.33%
128,758	295,789,339	0.3820	887,368,017	33.33%
131,297	301,623,014	0.3910	904,869,042	33.33%
104,894	241,134,953	0.4990	723,404,859	33.33%
97,471	224,070,224	0.5550	672,210,672	33.33%
91,845	211,138,166	0.6000	633,414,498	33.33%
88,317	203,028,808	0.6360	609,086,424	33.33%

**VILLAGE OF PALOS PARK, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2015 (Unaudited)**

	2005	2006	2007
<b>Village Direct Rates</b>			
General	\$ 0.2980	0.3060	0.2970
Illinois Municipal Retirement	0.0340	0.0350	0.0350
Police Pension	0.0570	0.0590	0.0580
Police Protection	0.0440	0.0450	0.0450
Total Direct Rates	0.4330	0.4450	0.4350
<b>Overlapping Rates</b>			
School Districts	3.4930	4.6300	4.4860
Library	0.1380	1.4200	0.1380
County	0.6220	0.5690	0.5110
Fire Protection District	0.5860	0.5980	0.5450
Township	0.0750	0.0790	0.0790
S. Palos Sanitary District *	0.2330	0.2320	0.1770
MWRD	0.3150	2.8400	0.2630

Data Source: Office of the County Clerk

Note: 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

2008	2009	2010	2011	2012	2013	2014
0.2780	0.3140	0.3180	0.4020	0.4410	0.4710	0.4904
0.0320	0.0300	0.0320	0.0430	0.0500	0.0570	0.0640
0.0520	-	-	-	-	-	-
0.0400	0.0380	0.0410	0.0540	0.0640	0.0720	0.0812
0.4020	0.3820	0.3910	0.4990	0.5550	0.6000	0.6356
4.1000	7.2300	7.5010	9.0050	5.5270	6.0050	6.3060
0.1280	0.1230	0.1260	0.1610	0.1800	0.1950	0.2070
0.4750	0.4730	0.4840	0.5570	0.6080	0.6760	0.6540
0.5110	1.1320	1.1930	1.4370	1.0470	1.0470	1.2010
0.0750	0.7110	0.7420	0.8990	0.1080	0.1180	0.1250
0.2760	0.2580	0.2530	0.3310	0.3920	0.3610	0.4060
0.2520	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Property Tax Payers - Prior Fiscal Year and Seven Fiscal Years Ago  
April 30, 2015 (Unaudited)**

Taxpayer	2014			2008		
	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)	\$ 5,943,040	1	2.93%	8,990,049	1	3.85%
Sunrise Senior Living	5,659,786	2	2.79%	6,036,331	2	2.58%
James Marth	1,934,957	3	0.95%			
RDK Ventures	1,888,079	4	0.93%			
Inter Cont'l 131st Palos Park	1,194,877	5	0.59%			
Walgreen Co. Tax Dept.	1,127,781	6	0.56%	1,756,299	4	0.75%
Hackney's on Lake Inc.	671,134	7	0.37%	588,144	10	0.25%
Southwest HWY, LLC	745,149	8	0.37%			
Alfredo Veltri	652,202	9	0.32%			
Individual	618,356	10	0.30%			
Individual				2,531,190	3	1.08%
Walgreen Co. Tax Dept.						
Gas City Ltd.				1,355,414	5	0.58%
SBC Ameritech				1,014,149	6	0.43%
Shell Oil Company				1,060,229	7	0.45%
Individual				846,979	8	0.36%
Individual				627,157	9	0.27%
<b>Total</b>	<b>20,435,361</b>		<b>10.11%</b>	<b>24,805,941</b>		<b>10.62%</b>

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

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
April 30, 2015 (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
2006	\$ 925,966	\$ 441,027	47.63%	\$ 479,332	\$ 920,359	99.39%
2007	1,014,455	403,365	39.76%	611,090	1,014,455	100.00%
2008	1,015,072	483,740	47.66%	530,443	1,014,183	99.91%
2009	1,098,709	567,862	51.68%	514,807	1,082,669	98.54%
2010	1,129,915	510,898	45.22%	618,452	1,129,350	99.95%
2011	1,221,886	560,614	45.88%	633,241	1,193,855	97.71%
2012	1,200,852	614,989	51.21%	584,041	1,199,030	99.85%
2013	1,243,590	626,374	50.37%	627,152	1,253,526	100.80%
2014	1,266,829	650,932	51.38%	620,655	1,271,587	100.38%
2015	1,291,263	660,537	51.15%	-	660,537	51.15%

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.

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, 2015 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activities			Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (1)
	Installment Notes Payable	General Obligation Bonds	Installment Notes Payable	Public Benefit Debt			
2006	\$ 2,726,227	\$ 875,000	\$ 24,995	624,012	\$ 4,250,234	1.93%	\$ 906.43
2007	2,551,423	825,000	12,497	434,042	3,822,962	1.64%	815.30
2008	2,257,917	770,000	-	396,332	3,424,249	1.25%	730.27
2009	2,006,977	715,000	-	358,622	3,080,599	1.04%	656.98
2010	1,779,698	660,000	-	320,912	2,760,610	0.92%	588.74
2011	1,558,443	2,295,000	-	283,201	4,136,644	1.72%	853.44
2012	1,283,890	2,175,000	-	245,491	3,704,381	1.65%	764.26
2013	1,008,300	2,055,000	23,272	207,781	3,294,353	1.56%	679.67
2014	734,274	1,925,000	11,830	170,072	2,841,176	1.40%	586.17
2015	332,910	1,790,000	3,920	132,362	2,259,192	1.11%	466.10

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

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activities	Less: Amounts Available In Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	General Obligation Bonds	General Obligation Bonds				
2006	\$ 2,726,227	\$ 875,000	\$ -	\$ 3,601,227	1.64%	\$ 768.02
2007	2,551,423	825,000	-	3,376,423	1.45%	720.07
2008	2,257,917	770,000	-	3,027,917	1.11%	645.75
2009	2,006,977	715,000	-	2,721,977	0.92%	580.50
2010	1,779,698	660,000	-	2,439,698	0.81%	520.30
2011	1,558,443	2,295,000	-	3,853,443	1.60%	795.02
2012	1,283,890	2,175,000	-	3,458,890	1.54%	713.61
2013	1,008,300	2,055,000	-	3,063,300	1.45%	632.00
2014	720,000	1,925,000	-	2,645,000	1.30%	545.70
2015	395,000	1,790,000	-	2,185,000	1.08%	450.79

Data Source: Audited Financial Statements

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

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

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
April 30, 2015 (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	\$ 332,910	100.00%	\$ 332,910
<b>Overlapping Debt</b>			
Cook County	3,466,976,750	0.1586%	5,498,625
Cook County Forest Preserve District	118,610,000	0.1586%	188,115
Metropolitan Water Reclamation District	2,619,000,317	0.1617%	4,234,924
South Palos Twp. Sanitary District	632,000	5.9003%	37,290
<b>Schools</b>			
Comm. Consolidated School Dist. 118	3,820,000	27.9861%	1,069,069
High School Dist. 230	38,490,000	4.7393%	1,824,157
Community College 524	70,955,000	2.2786%	1,616,781
<b>Total Overlapping Debt</b>	<u>6,318,484,067</u>		<u>14,468,960</u>
<b>Total Direct and Overlapping Debt</b>	<u>6,318,816,977</u>		<u>14,801,870</u>

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

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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**See Following Page**

**VILLAGE OF PALOS PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

	2006	2007	2008	2009
Legal Debt Limit	\$ 18,450,976	18,946,163	20,145,035	22,796,927
Total Net Debt Applicable to Limit	875,000	825,000	770,000	715,000
Legal Debt Margin	17,575,976	18,121,163	19,375,035	22,081,927
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.74%	4.35%	3.82%	3.14%

Data Source: Village Records

Notes:

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

2010	2011	2012	2013	2014	2015
23,611,027	25,511,830	26,014,985	19,326,057	18,210,667	17,511,235
660,000	2,295,000	2,175,000	2,055,000	1,925,000	1,790,000
22,951,027	23,216,830	23,839,985	17,271,057	16,285,667	15,721,235
2.80%	9.00%	8.36%	10.63%	10.57%	10.22%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	<u>\$ 203,028,808</u>
Bonded Debt Limit - 8.625% of Assessed Value	17,511,235
Amount of Debt Applicable to Limit	<u>1,790,000</u>
Legal Debt Margin	<u>15,721,235</u>

VILLAGE OF PALOS PARK, ILLINOIS

Pledged Revenue Coverage - Last Ten Fiscal Years  
 April 30, 2015 (Unaudited)

Fiscal Year	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 1,473,251	\$ 1,247,111	\$ 226,140	\$ 62,710	\$ 39,811	2.21
2007	1,619,004	897,765	721,239	103,833	53,221	4.59
2008	1,316,694	1,146,424	170,270	101,433	52,320	1.11
2009	1,460,236	1,434,908	25,328	92,710	43,771	0.19
2010	2,005,501	1,476,747	528,754	92,710	43,565	3.88
2011	2,176,330	1,456,035	720,295	156,116	101,850	2.79
2012	2,162,336	1,536,216	626,120	164,720	100,274	2.36
2013	2,332,944	1,846,347	486,597	161,322	95,023	1.90
2014	2,462,290	1,183,897	1,278,393	175,309	88,483	4.85
2015	2,306,253	2,001,837	304,416	180,620	71,307	1.21

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, 2015 (Unaudited)**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2006	4,689	\$ 367,852,050	\$ 78,450	4.40%
2007	4,689	367,852,050	78,450	4.30%
2008	4,689	367,852,050	78,450	6.20%
2009	4,689	367,852,050	78,450	9.60%
2010	4,689	367,852,050	78,450	11.20%
2011	4,847	367,852,050	78,450	8.70%
2012	4,847	412,964,400	85,200	9.00%
2013	4,847	429,579,916	88,628	9.40%
2014	4,847	429,579,916	88,628	7.70%
2015	4,847	429,579,916	88,628	6.00%

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

**VILLAGE OF PALOS PARK, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2015 (Unaudited)**

Employer	2015		2009	
	Rank	Percentage of Total Village Population	Rank	Percentage of Total Village Employment
Holly Family Villa	1	3.44%		
Jewel	2	2.37%	1	4.76%
Sunrise Assisted Living	3	2.06%		
Village of Palos Park	4	1.71%	3	1.31%
Osco	5	1.65%	2	1.43%
Hackney's	6	1.03%	5	0.64%
Francesca's	7	0.95%	4	1.19%
Walgreens	8	0.58%		
McDivott's	9	0.27%	6	0.17%
Standard Bank	10	0.19%		
		<u>14.3%</u>		<u>9.50%</u>

Note: Telephone canvass of employers performed in 2015.

**VILLAGE OF PALOS PARK, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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**VILLAGE OF PALOS PARK, ILLINOIS**

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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	2006	2007	2008
General Government			
Administration	5.00	5.30	5.30
Building and Zoning	3.00	3.60	4.00
Finance	3.10	3.00	3.00
Police			
Officers FT	11.00	10.00	10.00
Officers PT	14.00	15.00	15.00
Civilians	2.00	2.00	2.00
Public Works			
Water Department	2.30	3.90	4.30
Sewer Department	1.30	1.30	1.60
Street Maintenance	3.10	3.10	4.40
Recreation	3.50	3.50	3.50
Total	<u>48.30</u>	<u>50.70</u>	<u>53.10</u>

Data Source: Village Finance Department Payroll

2009	2010	2011	2012	2013	2014	2015
5.30	4.30	4.30	4.30	4.30	4.30	4.30
3.50	3.50	3.50	3.50	3.50	3.50	3.50
3.30	2.00	2.00	2.00	1.50	1.50	1.50
10.00	10.00	9.00	9.00	9.00	9.00	9.00
16.00	20.00	22.00	23.00	24.00	24.00	20.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
4.60	4.60	4.60	4.60	4.60	4.60	4.60
1.40	1.40	1.40	1.40	1.40	1.40	1.40
5.00	4.50	4.50	3.50	4.50	4.50	4.50
3.50	3.50	2.50	2.50	3.00	3.00	3.00
54.60	55.80	55.80	55.80	57.80	57.80	53.80

**VILLAGE OF PALOS PARK, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

	2006	2007	2008
<b>Public Safety</b>			
<b>Police (1)</b>			
Physical Arrests	333	251	285
Parking Violations	994	4	1,757
Traffic Violations	1,674	3	1,711
<b>Public Works</b>			
Street Resurfacing (Miles)	1.60	1.01	1.01
Pothole Repairs	50-75	50-75	75-120
<b>Water</b>			
New Connections	42	3	27
Water Main Breaks	10	4	12
Average Daily Consumption (2)	472,000	389,884	427,827
Peak Demand	980,000	1,015,000	987,000

Data Source: Appropriate Village Departmental

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

(2) Average gallons per day

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

2009	2010	2011	2012	2013	2014	2015
242	170	217	186	183	202	211
1,573	1,209	1,307	987	982	997	1,198
1,570	1,213	1,383	885	953	956	1,925
1.01	0.25		0.66	0.80	0.90	1.19
75-100	50-75	75-150	50-75	80-140	722.0	1,524
7	8	6	4	2	8	4
15	2	2	7	4	44	12
489,000	416,134	404,000	474,000	501,000	437,000	407,813
837,000	850,000	906,000	969,000	823,000	702,000	708,000

**VILLAGE OF PALOS PARK, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2015 (Unaudited)**

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	2006	2007	2008
<b>Public Safety</b>			
<b>Police</b>			
Stations	1	4	1
Patrol Units	7	3	8
<b>Public Works</b>			
Reidential Streets (Miles)	14.70	14.70	14.70
<b>Water</b>			
Water Mains (Miles)	50.58	3.90	50.58
Fire Hydrants	722	1	726
Storage Capacity (Gallons)	800,000	3	800,000
<b>Wastewater</b>			
Sanitary Sewer (Miles)	29.27	39.27	39.27
Storm Sewers (Miles)	7.48	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.

2009	2010	2011	2012	2013	2014	2015
1 7	1 8	1 8	1 8	1 8	1 8	1 8
14.70	14.70	14.70	14.70	14.70	14.70	14.70
51.08 730	52.24 730	52.24 730	52.24 730	52.24 731	52.24 731	52 731
800,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67	39.37 7.67