

2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT



***Fiscal Year Ending
April 30, 2014***

*Service to our
residents and
dedication to the
preservation of
Palos Park*

VILLAGE OF PALOS PARK, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
April 30, 2014

Prepared By:
Department of Finance

Barbara Maziarek
Finance Director

VILLAGE OF PALOS PARK, ILLINOIS

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INTRODUCTORY SECTION



VILLAGE OF PALOS PARK

PRINCIPAL OFFICIALS

MAY 1, 2014

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*

Michael Sibrava - *Public Works Director*

Lori Sommers - *Community Development Director*

Theresa Tevsh - *Recreation Director*



VILLAGE OF
PALOS PARK

October 22, 2014

JOHN F. MAHONEY
Mayor

JAMES PAVLATOS
Accounts & Finances

NICOLE MILOVICH-WALTERS
Public Works & Streets, Recreation

DAN POLK
Public Health & Safety

G. DARRYL REED
Building & Public Property

MARIE ARRIGONI
Village Clerk

RICHARD B. BOEHM
Village Manager

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Palos Park, Illinois for the year ended April 30, 2014 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 Wolf & Company, 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, 2014 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 Wolf & Company LLP has issued an unqualified ("clean") opinion on the Village's financial statements for the year ended April 30, 2014. The independent auditor's report is located at the front of the financial section of the CAFR.

The CAFR is presented in three parts, starting with an unaudited introductory section, followed by the audited financial section, and concludes with an unaudited statistical section. The introductory section contains a list of the principal officials, an organizational chart, the previous fiscal year's Certificate of Achievement for Excellence in Financial Reporting, and this Letter of Transmittal which is designed to complement the Management's Discussion and Analysis (MD&A).

The Management Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. Our MD&A complements the Letter of Transmittal and should be read in conjunction with it. Included in the basic financial statements are the government-wide financial statements, fund financial statements, and notes to the financial statements. The required supplementary information presents the budgetary comparison schedules and other schedules.

Pertinent economic data and other relevant factors about the Village can be found in the statistical section of this CAFR. The statistical section expresses financial trends over time, demonstrates the ability of the village to generate own source revenue, articulates the Village's debt burden and its ability to issue additional debt, provides more detailed demographic and economic information, and presents additional operating information.

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. The Village of Palos Park's financial statements include no information on the Palos Fire Protection District or South Palos Sanitary District as these are totally separate organizations with no financial relationship to the Village of Palos Park.

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 southern 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, like islands in a sea, by Cook County Forest Preserves, and the Village trees create a complementary atmosphere. Mature trees, long distances between houses, and frequent large street setbacks make it often difficult, if not impossible, to see homes from the street; and in addition, space, trees, or at most a post-and-rail fence is what separates neighbors. Ditches take the place of sidewalks and storm sewers in the Village, helping to replenish aquifers and further contributing to its distinctive character and pastoral setting.

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, affectionately known as the Stevenson Expressway. However, increasingly commuters are ditching the traffic and instead taking advantage of the increased parking and Metra train departures at the Village's rail station. The Village prides itself on the high quality of its residential living and has historically been among the top Chicago area communities in per capita income.

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

The largest employer in the community is the Holy Family Villa which is a skilled care facility. Immediately adjacent to the Village at 123rd Street and 80th Avenue is Palos Community Hospital (in Palos Heights) and serves as another major employer in the area. Also immediately adjacent to the Village at 131st Street and LaGrange Road (in Orland Park) lays d 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 1.5% for the year. In fiscal year 2014, the Village continued to face major 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 slightly increased overall by 0.11% in FY14 to \$4,114,045. In addition, Fees by Agreement increased by 6.42%, sales tax decreased by 2.78%, utility taxes increased by 3.60%; as well as, revenue from property taxes collections increased by 3.87%, and state income tax increased by 8.13% as compared to the prior fiscal year.

General Fund operating expenditures increased in FY14 by \$163,209 to a total of \$4,185,187 as compared to FY13. This 4.06% increase in expenditures was due to increases in Administration, Building and Public Grounds, Public Safety, Public Works, Capital Outlay, and Culture and Recreation Departments in the fiscal year. Reductions in General Government for Public

Affairs, Finance, Public Grounds, and Debt Service 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 \$22,286.

The ½% Sales Tax Fund had non-home rule sales tax revenues totaling \$172,620 that allowed for the funding of \$133,157 in Public Building and Grounds improvements. A fund balance of \$366,937 still remains in the fund for contingency and future infrastructure improvements.

For a broader view of the recent trends in revenues, expenditures, and net assets 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, 2014, Palos Park held an unreserved, unassigned fund balance of \$1,438,325 that is equal to 34.86% of FY14 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. In addition, the Comprehensive Plan detail priorities in the long and short runs, respectively, keeping financial expenditures focused.

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 2014

PERSONNEL

- Continue reviewing staffing in Departments
- Recruit and hire a Community Development Director
- Refine a Village wide employee performance evaluation system
- Continue identifying professional development for staff especially supervisory training
- Continue to look for reorganization and consolidation of duty opportunities within certain departments
- Establish an employee Safety Committee
- Work with employee committee to increase visibility and programing, and participate as a member
- Continue to expand the employee Fitness and Wellness Program

COMMUNICATIONS

- Continue working toward a new more user friendly Village website
- Develop a centennial logo
- Keep business and residents on and near LaGrange Road advised of impending construction
- Continue to improve communications and positive relationships with surrounding municipalities
- Continue weekly Department Director meetings
- Improve communications with residents through newsletter, website, and other means
- Encourage departments to continue working together for the good of all
- Work with different groups and organizations in the community

ANNEXATIONS

- Continue to negotiate and finalize annexations west of the village
- Conduct studies deemed needed to negotiate agreements in the best interest of the Village
- Continue the evaluation and plan utility services to the new territory
- Continue to encourage annexation of Com Ed lines to the west
- Complete 131st Street Standard Bank annexation

LEGAL

- Keep Village away from further litigation involving the Smetek Driveway permit and drainage issue
- Track all legal expenses of the Village

PUBLIC PROPERTY

- Continue working with the consultant and other communities to bring about the construction of the Palos Park portion of the Cal Sag Trail
- Negotiate a vendor lease at the Metra Station
- Review the potential to hire mechanical/building engineer to manage Village buildings
- Plan and implement improvements for five acre park at Holy Family

- Continue to implement improvements at Kaptur Center and the Recreation Center
- Study potential improvement of the 123rd Street and 86th Avenue intersection

PROCEDURAL / OPERATIONS

- Improve the retrieval process of Village records
- Administer the Municipal Electric Aggregation Program including extension
- Begin document management through GIS
- Quantify and analyze operations by department, and look for potential savings

PUBLIC WORKS / INFRASTRUCTURE

- Finalize landscaping plan and other improvements with the LaGrange Road widening project
- Signalize intersection of Creek Road and LaGrange Road
- Continue negotiations for new water contract with Oak Lawn
- Continue to promote bike and trail plans in Village of Palos Park
- Oversee process of construction of Cal Sag Trail path and trailhead
- Negotiate IDOT Agreement regarding LaGrange Road widening/reconstruction

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 and Business Association meetings
- Continue economic development efforts with ICSC
- Outreach to businesses, better communications
- 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 newly annexed properties

FINANCE

- Research and evaluate the institution of a Storm Water Management Fee
- Adhere to budget categories within the 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
Finance Director is the alternate delegate to IRMA
- Continue compliance with all IRMA programs, i.e. risk assessments, IMAP, and Safety Compliance
- Work with broker to finalize annual health care package for employees
- Work Comp Claims Management
- Review and update the written Risk Management Plan
- Establish accident investigation protocol

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 new *Autumn In The Park Festival* scheduled for September 19-20, 2014
- Look for more opportunities to provide additional summer activities in the Village
- Plan for the Palos Park Centennial

BUILDING DEPARTMENT

Goals and Projects FY 2014

PLANNING

- Update Comprehensive Plan for west sector
- Participate in multi-community coalition guiding Cal Sag Trail planning
- Initiate planning for the Cal Sag Trail trailhead site area and related development

ANNEXATIONS

- Assist in negotiating annexation agreements and coordinating public hearings

DEVELOPMENT ASSISTANCE

- Lease site to AT&T and other cell phone companies to lease space on Village owned towers
- Assist businesses with information on construction, remodeling, and upgrades
- Promote the available land and building space to prospective new businesses

GRANTS

- Coordinate the development of the public park at the Holy Family Park
- Work with the Forest Preserve and other agencies to develop bicycling and pedestrian facilities

ADVISORY GROUPS

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

CODE UPDATES

- Amend development codes for pending west sector annexations
- Amend the residential, electrical, and mechanical portions of the building codes
- Initiate and prepare other amendments as needed, i.e., fences and animal control

ADMINISTRATION

- Administer the development regulator function and code compliance process
- Update all application forms and related documents and media, including the website
- Upgrade staff capabilities through training, seminars, and certifications
- Upgrade staff capabilities by researching and acquiring GIS computer software
- Assist others in updating zoning and address base maps of the Village

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 2014

- Receive the GFOA's 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.
- Prepare an annual Citizens Financial Report using the Comprehensive Annual Financial Report of FY2014.
- 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.
- 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 2014

- **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 2014

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 123rd street sidewalk
- Continue to maintain public grounds and buildings
- Install on-site sanitary disposal system at the Public Works Garage

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 2014

ADMINISTRATIVE

- Continue to evaluate and research cost savings in Recreation Department budget
- Set employee meetings and training schedule throughout the year
- Develop and implement a Building Attendant Manual
- Improve customer satisfaction rating on facility evaluations
- Educate and document contractual instructors, so they understand the emergency procedures
- Recertify Recreation staff in CPR/AED
- Work with other entities in the community and develop a relationship that helps each other

PROGRAMMING

- Offer more community events to bring the entire family together
- Offer creative programs and alternatives not to compete but compliment the community
- Increase marketing, utilizing all media outlets
- Implement a unique birthday party service to increase rentals
- Create and implement a successful adult sport league

MAINTENANCE

- Continue to identify areas in and out of the facility in need of maintenance and cleaning
- Develop a replacement program for all equipment and incorporate into the budget
- Replace office windows for energy savings
- Repaint office
- Re-floor offices
- Construct a new front entrance

RENTALS

- Research ways to rent the facility
- Research the purchase of a portable batting cage for indoor and outdoor use as a rental unit
- Identify rental opportunities at the new park location

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. While the revenue from property tax is reliable, the billing schedule, particularly the second installment, has been erratic in recent years. The Village's financial statements reflect the implementation of GASB 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*."

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, 2013. This was the 15th 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 Theresa Tevsh; 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 Wolf and Company, 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**

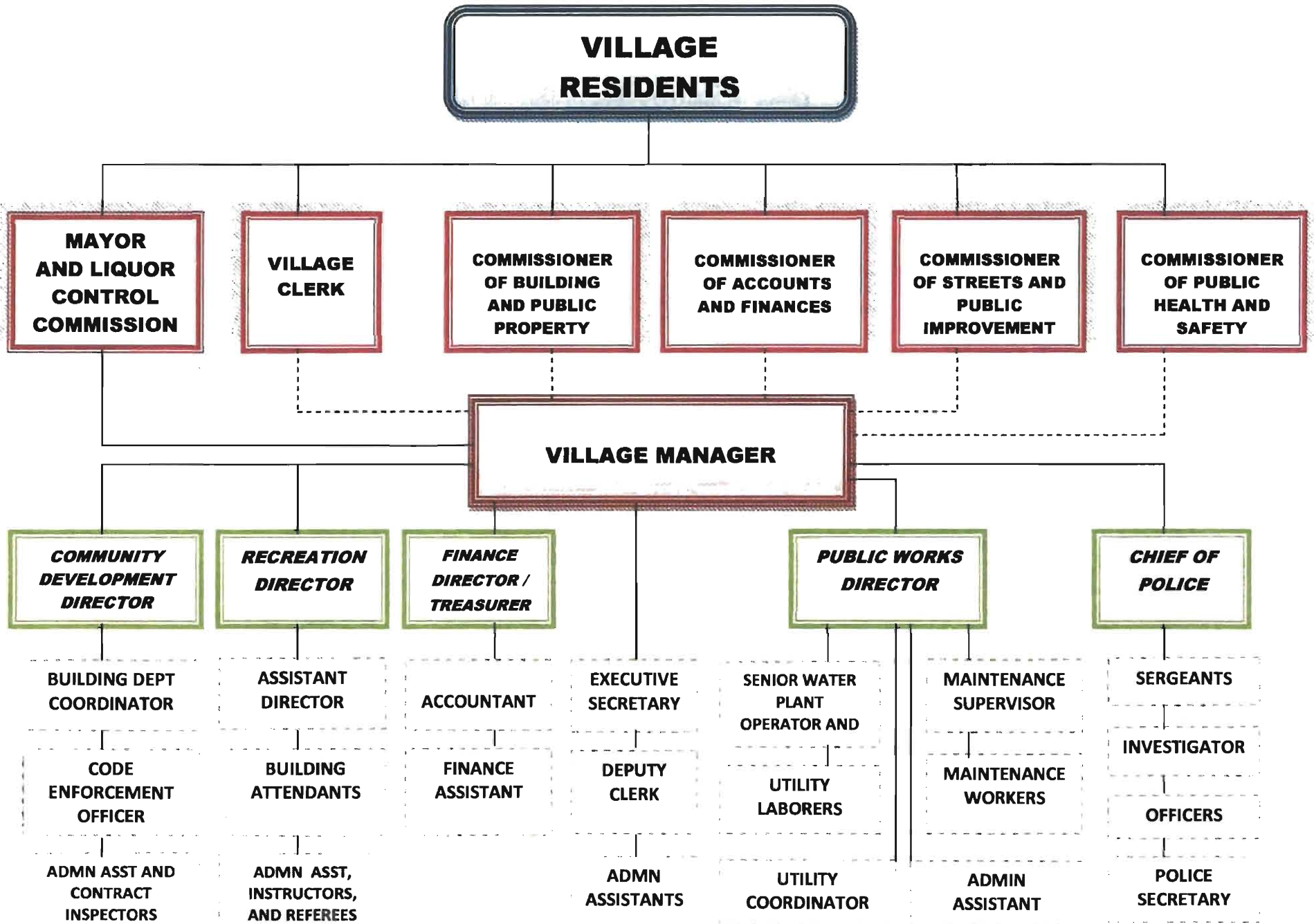
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO

VILLAGE OF PALOS PARK

ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Village of Palos Park, Illinois
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 (Village) as of and for the year ended April 30, 2014, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palos Park, Illinois as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 (pages 3 through 15), budgetary comparison information, and pension related information (pages 53 through 56) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Wolf & Company LLP

Oakbrook Terrace, Illinois
October 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF PALOS PARK, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2014

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, 2014. 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 \$28,141,850, a decrease of \$384,489 during the year.
- **Governmental activity summary** – Net position for governmental activities increased by \$63,626 during the year to \$6,624,593.
- **Business-type activity summary** – Net position for business-type activities decreased by \$448,115 during the year to \$21,517,257.
- **General Fund summary** – The Village's General Fund reported a decrease of \$22,286 in fund balance for the year.
- **Budget vs. Actual** – The Village's actual revenues for the General Fund were less than budgeted revenues by \$44,637 while the actual expenditures were more than total budgeted expenditures by \$59,552.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

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

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

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

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

Financial Analysis of the Village as a Whole

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$28,141,850. The following table reflects the condensed Statement of Net Position as of April 30, 2014 and 2013. For more detailed information see the Statement of Net Position.

**TABLE 1
STATEMENT OF NET POSITION
APRIL 30, 2013 AND 2014**

	Governmental Activities 2014	Governmental Activities 2013	Business- Type Activities 2014	Business- Type Activities 2013	Total Primary Government 2014	Total Primary Government 2013
Assets:						
<i>Current and Other Assets</i>	\$ 3,738,403	\$ 3,950,426	\$ 2,923,632	\$ 2,722,459	\$ 6,662,035	\$ 6,672,885
<i>Capital Assets</i>	4,758,572	4,841,483	20,888,298	21,719,581	25,646,870	26,561,064
Total Assets	\$ 8,496,975	\$ 8,791,909	\$ 23,811,930	\$ 24,442,040	\$ 32,308,905	\$ 33,233,949
Deferred Outflows of Resources:						
<i>Unamortized Loss on Refunding</i>	\$ 2,599	\$ -	\$ -	\$ -	\$ 2,599	\$ -
Liabilities:						
<i>Other Liabilities</i>	\$ 322,493	\$ 406,978	\$ 154,056	\$ 156,477	\$ 476,549	\$ 563,455
<i>Long-Term Liabilities</i>	945,011	1,218,987	2,140,617	2,320,191	3,085,628	3,539,178
Total Liabilities	\$ 1,267,504	\$ 1,625,965	\$ 2,294,673	\$ 2,476,668	\$ 3,562,177	\$ 4,102,633
Deferred Inflows of Resources:						
<i>Unearned Revenue</i>	\$ 607,477	\$ 604,977	\$ -	\$ -	\$ 607,477	\$ 604,977
Net Position:						
<i>Net Investment in Capital Assets</i>	\$ 4,026,741	\$ 3,833,183	\$ 18,781,396	\$ 19,433,528	\$ 22,808,137	\$ 23,266,711
<i>Restricted</i>	1,285,489	1,300,144	-	-	1,285,489	1,300,144
<i>Unrestricted</i>	1,312,363	1,427,640	2,735,861	2,531,844	4,048,224	3,959,484
TOTAL NET POSITION	\$ 6,624,593	\$ 6,560,967	\$ 21,517,257	\$ 21,965,372	\$ 28,141,850	\$ 28,526,339

Current Year Impacts – Net Position

The Village's combined net position (which is the Village's bottom line) decreased 1.35% from \$28,526,339 to \$28,141,850 with a decrease in net position of \$384,489. Net position of the Village's governmental activities increased \$63,626 during the year and ended the year at \$6,624,593. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased \$115,277 from last year to \$1,312,363.

The net position of business-type net position decreased \$448,115 or 2.04% during the year, and ended the fiscal year at \$21,517,257. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$2,735,861. Business-type activities include water, sewer, solid waste, and commuter parking lot services. The annual operating cost of these services for Fiscal Year 2014 was \$3,324,515.

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 2013**

	Governmental Activities 2014	Governmental Activities 2013	Business- Type Activities 2014	Business- Type Activities 2013	Total Primary Government 2014	Total Primary Government 2013
REVENUES						
<i>Program Revenues:</i>						
<i>Charges for</i>						
<i>Services</i>	\$ 998,056	\$ 1,020,005	\$ 2,861,074	\$ 2,769,790	\$ 3,859,130	\$ 3,789,795
<i>Operating Grants</i>	331,191	202,430	-	-	331,191	202,430
<i>General Revenues:</i>						
<i>Property Taxes</i>	1,259,952	1,212,953	-	-	1,259,952	1,212,953
<i>Sales Taxes</i>	819,655	846,009	-	-	819,655	846,009
<i>Utility Taxes</i>	525,275	507,016	-	-	525,275	507,016
<i>Income Taxes</i>	472,322	436,814	-	-	472,322	436,814
<i>Other</i>	236,261	233,195	-	-	236,261	233,195
<i>Investment Income</i>	(2,121)	6,034	(1,279)	2,574	(3,400)	8,608
<i>Gain on Sale of Capital Assets</i>	7,966	1,406	-	-	7,966	1,406
<i>Other</i>	51,790	39,355	55,715	14,364	107,505	53,719
Total Revenues	4,700,347	4,505,217	2,915,510	2,786,728	7,615,857	7,291,945
EXPENSES						
<i>General Government</i>	699,757	702,364	-	-	699,757	702,364
<i>Public Safety</i>	2,084,277	2,076,275	-	-	2,084,277	2,076,275
<i>Public Works</i>	742,048	480,874	-	-	742,048	480,874
<i>Building and Public Grounds</i>	549,108	552,790	-	-	549,108	552,790
<i>Culture and Recreation</i>	565,181	364,858	-	-	565,181	364,858
<i>Water</i>	-	-	2,110,591	2,022,774	2,110,591	2,022,774
<i>Sewer</i>	-	-	819,403	846,116	819,403	846,116
<i>Solid Waste</i>	-	-	303,759	296,803	303,759	296,803
<i>Commuter Lot</i>	-	-	90,762	86,729	90,762	86,729
<i>Interest</i>	35,460	43,988	-	-	35,460	43,988
Total Expenses	4,675,831	4,221,149	3,324,515	3,252,422	8,000,346	7,473,571
Transfers	39,110	4,110	(39,110)	(4,110)	-	-
Change in Net Position	63,626	288,178	(448,115)	(469,804)	(384,489)	(181,626)
Beginning Net Position	6,560,967	6,272,789	21,965,372	22,435,176	28,526,339	28,707,965
Ending Net Position	\$ 6,624,593	\$ 6,560,967	\$ 21,517,257	\$ 21,965,372	\$ 28,141,850	\$ 28,526,339

Current Year Impacts – Changes in Net Position

Governmental Activities

Overall total revenues for governmental activities in FY14 totaled \$4,700,347 representing an increase in net amount of \$195,130 or 4.33% (\$998,056 for Charges for Services; \$1,259,952 for Property Taxes; and \$2,442,339 for Other Revenues). Revenues decreased in the following categories: Charges for Services, Sales Taxes, and Investment Income during the fiscal year. Property taxes were one of the Village's largest sources of revenue at \$1,259,952; that is an increase of 3.87% over FY13. Sales tax revenue decreased by 3.11% to \$819,655 or \$26,354 less than FY13. Utility taxes in FY14 increased to \$525,274 or 3.60%, but were still not as high as they were in FY06 that resulted in \$654,620 being received from that revenue source. State income tax payments increased 8.13% to an annual total of \$472,322. Continued State of Illinois financial problems contribute to decrease in income tax payments. Other revenue sources have experienced minor decreases, again reflecting the continued slowdown in the economy.

Expenses for governmental activities totaled \$4,675,831 representing a 10.77% increase from the previous fiscal year. Some of the more notable increases in spending are as follows: Wages increased by 4.64% to \$2,093,085, while Benefits decreased 0.85% to \$674,667; Legal Fees increased 1.62% to \$103,612; Other Contractual Services increased 11.89% to \$635,578; Commodities increased 2.91% to \$325,286; and Insurance increased 2.36% to \$106,423 in this fiscal year. Modest increases in departmental expenses in Administration, Public Safety, Building, Public Works, and Recreation; while Finance, Building, Public Affairs, Public Grounds, Festivals, and Debt Service noted decreases in departmental expenditures during the fiscal year.

Business-Type Activities

Revenue from business-type activities totaled \$2,915,510 (\$2,861,074 Charges for Services, a loss of \$1,279 from Investment Income, and \$55,715 from Other Income), representing an increase of \$128,782 over the previous fiscal year. Operating Revenues in the Water Fund increased \$52,321 to \$1,853,572; while in the Sewer Fund the Operating Revenues decreased \$1,386 to \$516,239 in FY14. The Refuse and Recycling Fund for FY14 ended the fiscal year with total revenues of \$328,314 an increase of \$6,120. The Commuter Lot Fund Operating Revenues increased \$350 to \$87,443 in FY14. Fiscal Year 2014 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 \$3,324,515, a \$72,093 increase over the previous fiscal year. In the fiscal year, water purchase expenses increased by \$78,098 or 14.61% due to increased fees for the purchase of water. Water services expenses decreased by 3.68% to \$404,683. The Commuter Lot Fund operating expenses increased \$4,033 or 4.65% for the increase in commodities purchases. The Village continues to provide additional landscaping and plantings after taking control of the station from Metra. The Sewer Fund operating expenses decreased \$25,232 or 3.03% for 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 \$303,759, an increase of \$6,956 or 2.34% for the fiscal year 2014.

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 in Intergovernmental and Grant Revenue (both recurring and non-recurring)** – Certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- **Market Impacts on Investment Income** – The Village’s investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.
- **Changes in Programs** – Within the functional expense categories (General Government, Public Safety, Public Works, etc.), individual programs may be added, deleted, or expanded to meet changing community needs.
- **Changes in Authorized Personnel** – Changes in service demand may cause the Village Council to increase/decrease authorized staffing.
- **Salary Increases (annual adjustments and step increases)** – The ability to attract and retain human and intellectual resources requires the Village to strive to maintain a competitive salary range position in the marketplace.
- **Inflation** – Overall inflation decreased (the CPI-U was 1.5%) at the end of FY14 compared to the end of FY13’s CPI-U of 1.7% - the decrease was attributable to a continued weak economy), 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, 2014, the Governmental Funds reflect a combined fund balance of \$2,817,994 which is a decrease of \$124,645 or 4.24%, over the prior fiscal year. The General Fund ending fund balance at April 30, 2014 was \$1,492,580 which is a decrease of \$22,286. 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 total fund expenditures. At the close of the fiscal year, the unreserved, unassigned fund balance of \$1,438,325 which was equal to 34.86% of the budgeted expenditures for the fiscal year. This percentage exceeds 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 \$4,114,045 were more than the prior fiscal year by \$4,450 or 0.11%. Revenue increases were seen in Taxes, Fines and Forfeits, Charges for Services, and Fees by Agreement. Actual General Fund revenues were less than originally budgeted revenues by \$44,637 for the fiscal year. General Fund expenditures were more than originally budgeted by \$59,552. The actual expenditures were more than the actual revenue by \$71,142. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are explained below.

Operating Expenses increased in FY14 to \$4,185,187 or \$163,209 more than the prior fiscal year. General Fund expenditures were \$59,552 more than budgeted in the fiscal year. Administration expenses were higher than the prior fiscal year as a result of increased wages, benefits, legal fees, commodities, and other contractual services. Public Safety also noted higher expenses for wages, benefits, and other contractual services. Public Works increased spending for wages, benefits, and commodities in FY14. Recreation increased spending for wages, benefits, insurance, commodities, and other contractual services. General Fund expenditures for Public Affairs, Finance, Public Grounds, and Debt Services 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>FY14 Budget</i>	<i>FY14 Actual</i>	<i>FY13 Actual</i>	<i>FY12 Actual</i>	<i>FY11 Actual</i>	<i>FY10 Actual</i>
Revenues:						
<i>Taxes</i>	\$ 2,064,616	\$ 2,021,488	\$ 1,953,164	\$ 1,985,136	\$ 3,045,245	\$ 2,919,498
<i>Licenses & Permits</i>	411,820	372,638	459,802	482,653	471,279	467,581
<i>Intergovernmental</i>	1,147,904	1,128,198	1,153,260	1,134,457	15,846	15,823
<i>Other</i>	534,342	591,721	543,369	795,294	789,412	737,543
Total	4,158,682	4,114,045	4,109,595	4,397,540	4,321,782	4,140,445
Expenditures:						
<i>Current</i>	(3,832,881)	(3,889,486)	(3,751,297)	(3,958,495)	(3,900,708)	(3,990,964)
<i>Capital Outlay</i>	(34,450)	(37,569)	(537)	(1,021)	(855)	(855)
<i>Debt Service</i>	(258,304)	(258,132)	(270,144)	(272,105)	(267,122)	(272,502)
Total	(4,125,635)	(4,185,187)	(4,021,978)	(4,231,621)	(4,168,685)	(4,264,321)
Other Financing Sources (Uses)						
<i>Transfers In</i>	85,000	85,000	70,000	90,000	90,000	71,276
<i>Transfers Out</i>	(44,100)	(44,110)	(44,110)	(44,110)	(40,000)	(103,022)
<i>Issuance of Installment Notes</i>	-	-	-	-	-	64,216
<i>Proceeds from Sale of Assets</i>	1,000	7,966	1,406	3,971	-	1,259
Total	41,900	48,856	27,296	49,861	50,000	33,729
Net Change in Fund Balance	\$ 74,947	\$ (22,286)	\$ 114,913	\$ 215,780	\$ 203,097	\$ (90,147)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2014, the Village's Governmental Funds had a total of capital assets, in the amount of \$4,758,572, 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 #5: *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 riding lawn mower, replacement of an exhaust system at Public Works, and several drainage improvement projects paid from the ½% Sales Tax Fund. Two new squad cars 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 an onsite sanitary system with funds from the Sewer Fund. In addition, there were some minor building improvements in the Kaptur Center building.

TABLE 4
GOVERNMENTAL ACTIVITIES
CHANGES IN NET CAPITAL ASSETS

	<i>Beginning Balance May 1, 2013</i>	<i>Additions/ Deletion</i>	<i>Ending Balance April 30, 2014</i>
Non-Depreciable Assets			
<i>Land</i>	\$ 1,698,500	\$ 11,488	\$ 1,709,988
Depreciable Capital Assets			
<i>Infrastructure</i>	300,000		300,000
<i>Buildings and Improvements</i>	3,871,300	13,616	3,884,916
<i>Equipment and Vehicles</i>	947,653	27,856	975,509
<i>Accumulated Depreciation on Capital Assets</i>	(1,975,970)	(135,871)	(2,111,841)
Total	\$ 4,841,483	\$ (82,911)	\$ 4,758,572

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 2010, the Village refunded this installment contract and issued \$1,055,000 Series 2010 refunding certificates, payable in annual installments until December 2014. As of April 30, 2014, the balance was \$225,000.
- 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, 2014, the balance was \$75,000.
- 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, 2014, the balance was \$420,000.
- In the month of August 2009, the Village issued an installment contract in the amount of \$31,316 for the purchase of a brush chipper. As of April 30, 2014, the balance on this contract has been retired.
- In October 2010, the Village entered into an installment purchase contract for the purchase of a dump truck. As of April 30, 2014, there was a \$11,831 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, 2014 was \$170,072.

- In FY05, 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, 2014, the combined principal balance remaining was \$420,000.
- In FY10, 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, 2014 was \$1,505,000.

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 \$18,210,667. The Village's total general obligation debt of \$1,925,000 is well within the limit. See Notes to Financial Statements #6: *Long-Term Debt* for additional information regarding the long-term debt of the Village.

<p><i>ECONOMIC FACTORS</i></p>

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 2013 Tax Year Equalized Assessed Value (EAV) for property taxes payable in 2014 was \$211,138,166 as compared to the 2012 EAV of \$224,070,224. This is a 5.77% decrease in the Village's EAV, due to external economic factors and is the second 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 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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 2,342,545	2,473,943	4,816,488
Investments	250,415	107,320	357,735
Receivables, Net of Allowance Where Applicable			
Accounts		347,768	347,768
Property Taxes	615,897		615,897
State Sales Tax	197,106		197,106
Other	234,734		234,734
Motor Fuel Tax Allotments	22,511		22,511
Internal Balances	16,120	(16,120)	
Prepaid Expenses	54,255	10,721	64,976
Net Pension Asset	4,820		4,820
Capital Assets Not Being Depreciated	1,709,988	20,000	1,729,988
Capital Assets Being Depreciated, Net of Accumulated Depreciation	3,048,584	20,868,298	23,916,882
Total Assets	8,496,975	23,811,930	32,308,905
Deferred Outflows of Resources			
Unamortized Loss on Refunding	2,599		2,599
Liabilities			
Accounts Payable	228,024	108,966	336,990
Wages Payable	66,444	12,623	79,067
Deposits Payable	13,644		13,644
Accrued Interest	14,381	32,467	46,848
Long-Term Liabilities			
Due Within One Year	324,057	187,363	511,420
Due in More Than One Year	620,954	1,953,254	2,574,208
Total Liabilities	1,267,504	2,294,673	3,562,177
Deferred Inflows of Resources			
Unearned Revenue - Property Taxes	607,477		607,477
Net Position			
Net Investment in Capital Assets	4,026,741	18,781,396	22,808,137
Restricted for			
Capital Projects	432,340		432,340
Debt Service	12,726		12,726
Police Forfeiture Programs	189,765		189,765
Highways and Streets	283,721		283,721
Public Infrastructure Improvements	366,937		366,937
Unrestricted	1,312,363	2,735,861	4,048,224
Total Net Position	\$ 6,624,593	21,517,257	28,141,850

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Activities

Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants
Governmental Activities			
General Government	\$ 699,757	501,061	
Public Safety	2,084,277	148,039	177,591
Public Works	742,048	11,174	153,600
Building and Public Grounds	549,108	150,284	
Culture and Recreation	565,181	187,498	
Interest	35,460		
Total Governmental Activities	4,675,831	998,056	331,191
Business-Type Activities			
Water	2,110,591	1,897,789	
Sewer	819,403	547,528	
Solid Waste	303,759	328,314	
Commuter Lot	90,762	87,443	
Total Business-Type Activities	3,324,515	2,861,074	-
	\$ 8,000,346	3,859,130	331,191

General Revenues

Taxes

Property

Local Sales

Utility

Other

Intergovernmental

State Sales Tax

State Income Tax

Investment Income

Miscellaneous

Gain on Sale of Assets

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position

Beginning

Ending

(See accompanying Notes to the Financial Statements.)

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(198,696)		(198,696)
(1,758,647)		(1,758,647)
(577,274)		(577,274)
(398,824)		(398,824)
(377,683)		(377,683)
(35,460)		(35,460)
<u>(3,346,584)</u>	-	<u>(3,346,584)</u>
	(212,802)	(212,802)
	(271,875)	(271,875)
	24,555	24,555
	(3,319)	(3,319)
-	<u>(463,441)</u>	<u>(463,441)</u>
<u>(3,346,584)</u>	<u>(463,441)</u>	<u>(3,810,025)</u>
1,259,952		1,259,952
172,620		172,620
525,275		525,275
236,261		236,261
647,035		647,035
472,322		472,322
(2,121)	(1,279)	(3,400)
51,790	55,715	107,505
7,966		7,966
39,110	(39,110)	
<u>3,410,210</u>	<u>15,326</u>	<u>3,425,536</u>
63,626	(448,115)	(384,489)
<u>6,560,967</u>	<u>21,965,372</u>	<u>28,526,339</u>
<u>6,624,593</u>	<u>21,517,257</u>	<u>28,141,850</u>

VILLAGE OF PALOS PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 1,068,007	1,274,538	2,342,545
Investments	250,415		250,415
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Property Taxes	615,897		615,897
State Sales Tax	154,930	42,176	197,106
Other	234,734		234,734
Motor Fuel Tax Allotments		22,511	22,511
Due from Other Funds	16,120		16,120
Prepaid Items	54,255		54,255
Total Assets	\$ 2,394,358	1,339,225	3,733,583
Liabilities			
Accounts Payable	\$ 214,213	13,811	228,024
Deposits Payable	13,644		13,644
Wages Payable	66,444		66,444
Total Liabilities	294,301	13,811	308,112
Deferred Inflows of Resources			
Unearned Revenue - Property Taxes	607,477		607,477
Fund Balances			
Nonspendable			
Prepaid Items	54,255		54,255
Restricted			
Capital Projects		432,340	432,340
Debt Service		12,726	12,726
Public Safety			
Police Forfeiture Program		189,765	189,765
Public Works			
Highways and Streets		283,721	283,721
Public Infrastructure Improvements		366,937	366,937
Assigned			
Culture and Recreation			
Special Recreation		39,925	39,925
Unassigned	1,438,325		1,438,325
Total Fund Balances	1,492,580	1,325,414	2,817,994
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,394,358	1,339,225	3,733,583

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

April 30, 2014

Total Fund Balances - Governmental Funds	\$ 2,817,994
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 governmental funds.	4,758,572
The net pension asset for police pension funding is not a current financial resource and, therefore, is not reported in the governmental funds.	4,820
Accrued interest is not due and payable in the current period and, therefore, not reported in the governmental funds.	(14,381)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Installment Contracts	(731,831)
Unamortized premium and loss on refunding on long-term debt are not financial resources and, therefore, are not reported in the governmental funds.	156
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds.	<u>(210,737)</u>
Net Position of Governmental Activities	<u><u>\$ 6,624,593</u></u>

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds

Year Ended April 30, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 1,259,952		1,259,952
Other Taxes	761,536	172,620	934,156
Licenses, Permits and Fees	372,638		372,638
Intergovernmental	1,128,198	323,774	1,451,972
Charges for Services	59,820	13,433	73,253
Fees by Agreement	403,583		403,583
Fines and Forfeits	82,972	64,186	147,158
Investment Income	(3,188)	1,067	(2,121)
Miscellaneous	48,534	3,256	51,790
Total Revenues	4,114,045	578,336	4,692,381
Expenditures			
Current			
General Government	620,088		620,088
Public Safety	1,996,363	41,492	2,037,855
Public Works	528,221	171,954	700,175
Building and Public Grounds	415,951	133,157	549,108
Culture and Recreation	328,863	227,517	556,380
Capital Outlay	37,569	48,353	85,922
Debt Service			
Principal	240,341	36,441	276,782
Interest and Fiscal Charges	17,791	20,001	37,792
Total Expenditures	4,185,187	678,915	4,864,102
Excess (Deficiency) of Revenues over Expenditures	(71,142)	(100,579)	(171,721)
Other Financing Sources (Uses)			
Transfers In	85,000	48,220	133,220
Transfers Out	(44,110)	(50,000)	(94,110)
Proceeds from Sale of Assets	7,966		7,966
Total Other Financing Sources (Uses)	48,856	(1,780)	47,076
Net Change in Fund Balances	(22,286)	(102,359)	(124,645)
Fund Balances			
Beginning	1,514,866	1,427,773	2,942,639
Ending	\$ 1,492,580	1,325,414	2,817,994

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended April 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (124,645)

Amounts reported for governmental activities in the Statement of Activities
are different because:

The change in net pension asset is not a current financial resource and,
therefore, is not reported in the governmental funds. (7,882)

Governmental funds report capital outlays as expenditures; however,
they are capitalized and depreciated in the Statement of Activities. 119,317

The amortization of bond premiums and loss on refunding do not require
or use current financial resources and, therefore, are not reported as
expenditures in governmental funds. (157)

The repayment of long-term debt is reported as an expenditure when due in
governmental funds but as a reduction of principal outstanding in the
Statement of Activities. 276,782

Depreciation in the Statement of Activities does not require the use of
current financial resources and, therefore, are not reported as expenditures
in governmental funds. (202,228)

Some expenses in the Statement of Activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in governmental funds.

Decrease in Accrued Interest Payable 2,489
Increase in Compensated Absences (50)

Change in Net Position of Governmental Activities \$ 63,626

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2014

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 1,730,011	699,305		44,627	2,473,943
Investments	107,320				107,320
Accounts Receivable	237,988	52,942	56,838		347,768
Prepaid Expenses	5,198	4,548		975	10,721
Total Current Assets	2,080,517	756,795	56,838	45,602	2,939,752
Capital Assets					
Capital Assets Not Being Depreciated	20,000				20,000
Capital Assets Being Depreciated, Cost	18,454,745	17,158,632			35,613,377
Less Accumulated Depreciation	(7,237,703)	(7,507,376)			(14,745,079)
Total Capital Assets	11,237,042	9,651,256	-	-	20,888,298
Total Assets	13,317,559	10,408,051	56,838	45,602	23,828,050
Liabilities					
Current Liabilities					
Accounts Payable	66,493	7,844	25,772	8,857	108,966
Wages Payable	9,491	3,132			12,623
Accrued Interest	28,130	4,337			32,467
Due to Other Funds			16,120		16,120
Compensated Absences Payable	4,995	1,748			6,743
General Obligation Bond Payable	99,150	35,850			135,000
Special Assessment Bonds Payable	37,710				37,710
Other Debt Obligations	3,955	3,955			7,910
Total Current Liabilities	249,924	56,866	41,892	8,857	357,539
Noncurrent Liabilities					
Compensated Absences Payable	19,979	6,993			26,972
General Obligation Bond Payable	1,594,506	195,494			1,790,000
Special Assessment Bonds Payable	132,362				132,362
Other Debt Obligations	1,960	1,960			3,920
Total Noncurrent Liabilities	1,748,807	204,447	-	-	1,953,254
Total Liabilities	1,998,731	261,313	41,892	8,857	2,310,793
Net Position					
Net Investment in Capital Assets	9,367,399	9,413,997			18,781,396
Unrestricted	1,951,429	732,741	14,946	36,745	2,735,861
Total Net Position	\$ 11,318,828	10,146,738	14,946	36,745	21,517,257

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position
- Proprietary Funds

Year Ended April 30, 2014

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
Operating Revenues					
Charges for Services	\$ 1,817,465	515,039	328,314	87,443	2,748,261
Sale of Water Meters	4,445				4,445
Other Income	31,662	1,200			32,862
Total Operating Revenues	1,853,572	516,239	328,314	87,443	2,785,568
Operating Expenses					
Personnel	477,711	167,061			644,772
Commodities	64,259	18,136		37,200	119,595
Water Purchases	612,530				612,530
Services	404,683	138,292	303,759	49,562	896,296
Repairs and Maintenance	3,216	18,009		4,000	25,225
Depreciation and Amortization	470,622	466,992			937,614
Total Operating Expenses	2,033,021	808,490	303,759	90,762	3,236,032
Operating Income (Loss)	(179,449)	(292,251)	24,555	(3,319)	(450,464)
Nonoperating Revenues (Expenses)					
Investment Income (Loss)	(1,484)	49		156	(1,279)
Rental Income	55,715				55,715
Tap-on Fees	44,217	31,289			75,506
Interest Expense	(77,570)	(10,913)			(88,483)
Total Nonoperating Revenues (Expenses)	20,878	20,425	-	156	41,459
Income (Loss) before Transfers	(158,571)	(271,826)	24,555	(3,163)	(409,005)
Transfers In		30,000			30,000
Transfers Out	(32,055)	(2,055)	(35,000)		(69,110)
Net Transfers	(32,055)	27,945	(35,000)	-	(39,110)
Change in Net Position	(190,626)	(243,881)	(10,445)	(3,163)	(448,115)
Net Position					
May 1	11,509,454	10,390,619	25,391	39,908	21,965,372
April 30	\$ 11,318,828	10,146,738	14,946	36,745	21,517,257

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2014

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 1,831,391	518,642	328,048	87,443	2,765,524
Rental Income	55,715				55,715
Payments to Suppliers	(1,085,949)	(179,284)	(303,258)	(84,609)	(1,653,100)
Payments to Employees	(477,029)	(167,566)			(644,595)
	<u>324,128</u>	<u>171,792</u>	<u>24,790</u>	<u>2,834</u>	<u>523,544</u>
Cash Flows from Noncapital Financing Activities					
Interfund Borrowings			10,210		10,210
Transfer In		30,000			30,000
Transfer Out	(32,055)	(2,055)	(35,000)		(69,110)
	<u>(32,055)</u>	<u>27,945</u>	<u>(24,790)</u>	<u>-</u>	<u>(28,900)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(28,119)	(78,212)			(106,331)
Tap-on Fees	44,217	31,289			75,506
Principal Paid on Long-Term Debt	(137,230)	(41,921)			(179,151)
Interest Paid on Long-Term Debt	(77,570)	(10,913)			(88,483)
	<u>(198,702)</u>	<u>(99,757)</u>	<u>-</u>	<u>-</u>	<u>(298,459)</u>
Cash Flows from Investing Activities					
Interest Received	72	49		156	277
	<u>72</u>	<u>49</u>	<u>-</u>	<u>156</u>	<u>277</u>
Net Increase in Cash and Cash Equivalents	93,443	100,029	-	2,990	196,462
Cash and Cash Equivalents					
May 1	1,636,568	599,276		41,637	2,277,481
April 30	<u>\$ 1,730,011</u>	<u>699,305</u>	<u>-</u>	<u>44,627</u>	<u>2,473,943</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (179,449)	(292,251)	24,555	(3,319)	(450,464)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation and Amortization	470,622	466,992			937,614
Rental Income	55,715				55,715
Changes in Assets and Liabilities					
Receivables	(22,181)	2,403	(266)		(20,044)
Prepaid Expenses	1,757	1,651		159	3,567
Accounts Payable	(3,018)	(6,498)	501	5,994	(3,021)
Accrued Payroll and Compensated Absences	682	(505)			177
	<u>\$ 324,128</u>	<u>171,792</u>	<u>24,790</u>	<u>2,834</u>	<u>523,544</u>

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds

April 30, 2014

	Pension Trust	Agency
Assets		
Cash and Cash Equivalents	\$	2,409,831
Investments		
U.S. Treasury Securities	27,532	
U.S. Agency Securities	621,413	
Municipal Bonds	273,253	
Corporate Bonds	890,915	
Mutual Funds	203,195	
Money Market Mutual Funds	92,959	
Accrued Interest	22,385	
Total Assets	2,131,652	<u>2,409,831</u>
Liabilities		
Due to Bondholders		<u>2,409,831</u>
Net Position		
Held in Trust for Pension Benefits	<u>\$ 2,131,652</u>	

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Changes in Fiduciary Net Position

Year Ended April 30, 2014

Additions

Contributions

Employer

\$ 165,000

Participants

64,995

229,995

Investment Income

Net Depreciation in Fair Value
of Investments

(50,960)

Interest

80,256

Less Investment Expense

(8,859)

20,437

Total Additions

250,432

Deductions

Benefits and Refunds

112,104

Change in Net Position

138,328

Net Position Held in Trust for Pension Benefits

Beginning

1,993,324

Ending

\$ 2,131,652

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Index to Notes to Financial Statements
April 30, 2014

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VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Palos Park (the Village) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

A. Financial Reporting Entity

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.

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 sworn police employees constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve certain actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's sworn police employees and because of the fiduciary nature of such activities, PPERS is reported as a pension trust fund.

With the Village's implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in the fiscal year ended April 30, 2014, the Palos Park Public Library no longer is required to be included as a discretely presented component unit of the Village.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double-counting of internal activities of the Village. Interfund services provided and used are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the differences reported in three categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position result when constraints placed on net assets' use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

B. Government-wide and Fund Financial Statements (Cont.)

Government-wide Financial Statements (Cont.)

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (pension) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental fund – General Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise funds – Water Fund, Sewer Maintenance Fund and Refuse and Recycling Fund. All remaining enterprise funds are aggregated and reported as nonmajor enterprise funds.

The Village administers the following major governmental fund:

The **General Fund** is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village administers the following major proprietary funds:

The **Water Fund** accounts for the provision 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** accounts for the provision 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** accounts for the provision 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, and billing and collection.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

Additionally, the Village reports the Special Assessment Funds responsible for non-commitment debt payments as agency funds.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

C. Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State-shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State-shared revenues, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, except for sales taxes, communication taxes, and income taxes which use a 90-day period.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

The Village reports deferred inflows and outflows of resources on its Statement of Net Position. Deferred inflows of resources arise when resources are received by the Village that represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred outflows of resources are consumptions of net position by the government that is applicable to a future period. In subsequent periods, when the Village has a legal claim to the resources/consumption, the deferred inflow/outflow of resources is removed from the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first; then unrestricted resources are used as they are needed.

D. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

E. Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items under the consumption method.

G. Capital Assets

Capital assets which include land, streets and bridges, buildings, storm sewers, sanitary sewers, water mains and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	40 years
Infrastructure	40 years
Water and Sewer Distribution System	40 years
Vehicles	5 years
Streets	30 years

Gains or losses from sales or retirements of capital assets are included in operations on the Statement of Activities.

H. Vacation and Sick Leave

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

I. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

I. Long-Term Obligations (Cont.)

In the fund financial statements, governmental funds 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 when incurred.

Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

J. Fund Equity

The Village has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Board of Commissioners) adopting an ordinance or resolution before year end. To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Board of Commissioners, who the Village Board has authorized to assign fund balance or by an official or body to which the Village Commissioners delegate the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Village will use the most restricted funds before the less restricted funds. Nonspendable funds would be spent first as they become spendable, followed by restricted fund balances, then by committed resources, and then assigned resources, as appropriate opportunities arise.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

J. Fund Equity (Cont.)

The Village Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Village Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

K. Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

L. Interfund Transactions

The Village has the following types of transactions between funds:

Loans are amounts provided with a requirement for repayment. Interfund loans, if any, are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Position, except for amounts between similar activities, which have been eliminated.

Services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund Balance Sheets or as internal balances in the government-wide Statement of Net Position.

Reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

2. Fund Equity

All funds had positive fund balances for the year ended April 30, 2014.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

3. Deposits and Investments

A. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller than maintains a \$1 per share value which is equal to the participants fair value). The Village's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. 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.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The Fund has an affirmed AAA Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. The Village balance in the Fund at April 30, 2014 was \$4,681,929. The yield on the Fund at April 30, 2014 was .01%. The Fund issues a publicly available financial report, which may be obtained at <http://www.treasurer.il.gov/programs/illinois>.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of 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 April 30, 2014, \$725,713 was not collateralized.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

3. Deposits and Investments (Cont.)

A. Village Deposits and Investments (Cont.)

Investments

The following table presents the investments and maturities of the Village as of April 30, 2014:

	Fair Value	Investment Maturities in Years			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury Securities	\$ 172,965	2,351	114,342	56,272	
U.S. Agency Securities	179,143		179,143		
Money Market Mutual Funds	5,627	5,627			
	<u>\$ 357,735</u>	<u>7,978</u>	<u>293,485</u>	<u>56,272</u>	<u>-</u>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short- and long-term cash flow needs while providing a reasonable rate of return based on the current market.

In accordance with its investment policy, the Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. The U.S. agency obligations and money market mutual funds are all rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) or a receipts versus payment (RVP) basis with the underlying investments held by a safekeeping agent designated by the Village and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At April 30, 2014, the Village had greater than 5% of its overall portfolio invested in U.S. Treasury obligations and U.S. agency obligations. 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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

3. Deposits and Investments (Cont.)

B. Police Pension Investments

The Police Pension Fund’s investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois, or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains \$1 per share value which is equal to the participants fair value). Additionally, the Police Pension Fund will not invest in any institution in which the Police Pension Fund funds on deposit are in excess of 75% of the institutions’ capital stock and surplus.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund’s deposits may not be returned to it. The Police Pension 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 Police Pension Fund, an independent third party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Police Pension Fund as of April 30, 2014:

	Fair Value	Investment Maturities in Years			
		Less Than One Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury Securities	\$ 27,532		27,532		
U.S. Agency Securities	621,413	75,777	338,974	206,662	
Municipal Bonds	273,253	10,244	124,528	117,741	20,740
Corporate Bonds	890,915	50,859	557,491	282,565	
Money Market Mutual Funds	92,959	92,959			
	1,906,072	229,839	1,048,525	606,968	20,740
Not Subject to Interest Rate Risk: Mutual Funds	203,195				
	<u>\$ 2,109,267</u>				

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

3. Deposits and Investments (Cont.)

B. Police Pension Investments (Cont.)

In accordance with its investment policy, the Police Pension 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.

In accordance with its investment policy, the Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency obligations and other highly rated obligations. The U.S. agency obligations and money market mutual funds are all rated AA+ to AAA by Standard and Poor's. Municipal and corporate bonds are rated BBB+ to AA+ by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. Currently, the Police Pension Fund's investment policy does not explicitly address this risk. However, there is no exposure to custodial credit risk for investments.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of their investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investments to avoid unreasonable risk. At April 30, 2014, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S. agency obligations, corporate bonds, municipal bonds, and mutual funds. The Police Pension Fund's investment policy requires that deposits in the Illinois Public Treasurer's Pool shall not exceed 50% of the total portfolio. The policy provides no other limits on diversification.

4. Property Taxes

The County Assessor is responsible for assessment of all taxable real property within Cook County (County), except for certain railroad and pollution control property which is assessed directly by the State. The County Clerk computes the annual tax of each parcel of real property and prepares tax books used by the County Collector as a basis for issuing tax bills to all taxpayers in the County.

The owner of real property on January 1 (lien date) is liable for taxes of that year. The Village must file its tax levy by the last Tuesday of December each year. Taxes levied in 2013 become due and payable in two installments in March 2014 and August 2014. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits them periodically. The Village deferred recognition of the second installment of the 2013 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

5. Capital Assets

A. Governmental Activities

A summary of changes in capital assets for governmental activities of the Village for the year ended April 30, 2014 is as follows:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 1,698,500	11,488		1,709,988
Capital Assets Being Depreciated				
Infrastructure	300,000			300,000
Buildings and Improvements	3,871,300	13,616		3,884,916
Vehicles	947,653	94,213	66,357	975,509
	5,118,953	107,829	66,357	5,160,425
Less Accumulated Depreciation for				
Infrastructure	70,000	10,000		80,000
Buildings and Improvements	1,261,566	97,123		1,358,689
Vehicles	644,404	95,105	66,357	673,152
	1,975,970	202,228	66,357	2,111,841
Total Capital Assets Being Depreciated, Net	3,142,983	(94,399)	-	3,048,584
Governmental Activities Capital Assets, Net	\$ 4,841,483	(82,911)	-	4,758,572

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
 April 30, 2014

5. Capital Assets (Cont.)

B. Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2014 is as follows:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 20,000			20,000
Capital Assets Being Depreciated				
Water Distribution System	18,364,316			18,364,316
Sewer Distribution System	17,080,420	78,212		17,158,632
Vehicles	62,310	28,119		90,429
	<u>35,507,046</u>	<u>106,331</u>	<u>-</u>	<u>35,613,377</u>
Less Accumulated Depreciation for				
Water Distribution System	6,712,233	461,268		7,173,501
Sewer Distribution System	7,036,654	466,992		7,503,646
Vehicles	58,578	9,354		67,932
	<u>13,807,465</u>	<u>937,614</u>	<u>-</u>	<u>14,745,079</u>
Total Capital Assets Being Depreciated, Net	<u>21,699,581</u>	<u>(831,283)</u>	<u>-</u>	<u>20,868,298</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,719,581</u>	<u>(831,283)</u>	<u>-</u>	<u>20,888,298</u>

C. Depreciation Charged to Functions/Activities

Depreciation was charged to functions/programs as follows:

General Government	\$ 89,628
Public Safety	38,255
Public Works	65,544
Culture and Recreation	<u>8,801</u>
Total Governmental Activities	<u>\$ 202,228</u>
Water	\$ 470,622
Sewer	<u>466,992</u>
Total Business-Type Activities	<u>\$ 937,614</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

6. Long-Term Obligations

A. Installment Contracts Payable

The Village has outstanding installment contracts payable at April 30, 2014:

\$300,000 Series 2002 Certificates, dated March 26, 2002, were issued for the purchase of the Sluis residential property, payable in annual installments of \$16,000 to \$26,000 each January 1 through January 1, 2017, with interest of 1.80% to 5.05%.

\$570,000 Series 2006 Certificates, dated October 26, 2006, were issued for the purchase of property, payable in annual installments of \$15,000 to \$45,000 each December 1 through December 1, 2025, with interest of 3.60% to 4.35%.

\$1,055,000 Series 2010 Refunding Certificates, dated January 25, 2010, were issued to refund the Series 2000 Certificates, payable in annual installments of \$200,000 to \$225,000 each December 1 through December 1, 2014, with interest of 2.00% to 3.00%.

\$31,316 installment purchase contract, dated August 11, 2008, was issued for the purchase of a chipper, payable in monthly installments of \$586 on the 30th day of each month through July 30, 2013, including interest of 4.83%.

\$37,300 installment purchase contract, dated October 29, 2010, was issued for the purchase of a dump truck, payable in semi-annual installments of \$4,158, commencing April 29, 2011 through October 29, 2015, including interest at 3.99%.

Changes in installment contracts for the year ended April 30, 2014 are as follows:

	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Series 2002 Certificates	General	\$ 98,000		23,000	75,000	24,000
Series 2006 Certificates	Land Acquisition and Recreation	445,000		25,000	420,000	25,000
2010 Refunding Certificates	General	440,000		215,000	225,000	225,000
2008 Installment Purchase Contract	General	2,341		2,341		
2010 Installment Purchase Contract	1/2% Sales Tax	23,272		11,441	11,831	7,910
		<u>\$ 1,008,613</u>	<u>-</u>	<u>276,782</u>	<u>731,831</u>	<u>281,910</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

6. Long-Term Obligations (Cont.)

B. Debt Service Requirements to Maturity

Fiscal Year Ending April 30	Installment Contracts	
	Principal	Interest
2015	\$ 281,910	36,202
2016	58,921	19,222
2017	56,000	16,710
2018	30,000	14,188
2019	30,000	12,964
2020-2024	185,000	43,742
2025-2026	90,000	5,858
	<u>\$ 731,831</u>	<u>148,886</u>

C. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported in the governmental long-term liabilities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Installment Contracts Payable	\$ 1,008,613		276,782	731,831	281,910
Deferred Item					
Premium on Installment Contracts	4,884		2,441	2,443	
Compensated Absences Payable*	210,687	36,244	36,194	210,737	42,147
Total Governmental Long-Term Liabilities	<u>\$ 1,224,184</u>	<u>36,244</u>	<u>315,417</u>	<u>945,011</u>	<u>324,057</u>

*The General Fund has typically been used to liquidate the compensated absences liability.

In prior years, the Village defeased certain debt certificates by placing the proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the old certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the Village's financial statements. At April 30, 2014, \$230,000 of certificates outstanding are considered defeased.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

6. Long-Term Obligations (Cont.)

D. Proprietary Debt

The Village has issued a number of special assessments bonds payable as noted below. The public benefit portion of two of the special assessment bonds payable are payable from the Water Fund. Special Assessment 96-1A has a remaining public benefit portion of \$43,824 at April 30, 2014. Special Assessment 96-1B has a remaining public benefit portion of \$126,248 at April 30, 2014. Debt service to maturity on these two obligations is as follows:

Fiscal Year Ending April 30	Public Benefit Special Assessments	
	Principal	Interest
2015	\$ 37,710	8,383
2016	37,710	6,520
2017	37,710	4,670
2018	37,710	2,794
2019	19,232	931
	<u>\$ 170,072</u>	<u>23,298</u>

The Village issued \$450,000 Series 2004 General Obligation Alternate Revenue Bonds, dated November 4, 2004, issued for the capital improvements to the water and sewer system, payable in annual installments of \$25,000 to \$40,000 each December 1, through December 1, 2019, with interest payable semi-annually of 1.80% to 4.10%. The property taxes on these bonds are to be abated annually and the bonds are repaid with water and sewer revenues. At April 30, 2014, \$210,000 is outstanding.

The Village issued \$450,000 Series 2005 General Obligation Alternate Revenue Bonds, dated November 4, 2005, issued for the capital improvements to the water and sewer system, payable in annual installments of \$25,000 to \$35,000 each December 1, through December 1, 2019, with interest payable semi-annually of 3.10% to 4.05%. The property taxes on these bonds are to be abated annually and the bonds are repaid with water and sewer revenues. At April 30, 2014, \$210,000 is outstanding.

The Village issued \$1,750,000 Series 2010 General Obligation Alternative Revenue Bonds, dated May 25, 2010, to finance construction of an underground water reservoir, payable in annual installments of \$60,000 to \$360,000 each December 1 through December 1, 2029, with interest payable semi-annually of 2.50% to 4.30%. The property taxes on these bonds are to be abated annually and the bonds are repaid with water and sewer revenues. At April 30, 2014, \$1,505,000 is outstanding.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

6. Long-Term Obligations (Cont.)

D. Proprietary Debt (Cont.)

Debt service to maturity on these bonds is as follows:

Fiscal Year Ending April 30	Alternate Revenue Bonds	
	Principal	Interest
2015	\$ 135,000	73,788
2016	140,000	69,473
2017	145,000	64,922
2018	145,000	60,185
2019	150,000	55,038
2020-2024	530,000	202,548
2025-2029	555,000	99,223
2030	125,000	5,375
	<u>\$ 1,925,000</u>	<u>630,552</u>

\$37,300 installment purchase contract, dated October 29, 2010, was issued for the purchase of a dump truck, payable in semi-annual installments of \$4,158, commencing April 29, 2011 through October 29, 2015, including interest at 3.99%. The installment contract is repaid with 50% from the General Fund, 25% Water Fund revenues and 25% Sewer Fund revenues. The Water Fund portion of future obligations is as follows:

Fiscal Year Ending April 30	Installment Contract	
	Principal	Interest
2015	\$ 7,910	406
2016	3,920	83
	<u>\$ 11,830</u>	<u>489</u>

During the fiscal year, the following changes occurred in liabilities reported in the business-type long-term liabilities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Special Assessment Bonds Payable	\$ 207,781		37,709	170,072	37,710
Alternate Revenue Bonds Payable	2,055,000		130,000	1,925,000	135,000
Installment Contract	23,272		11,442	11,830	7,910
Compensated Absences Payable	34,138	4,599	5,022	33,715	6,743
Total Business-Type Long-Term Liabilities	<u>\$ 2,320,191</u>	<u>4,599</u>	<u>184,173</u>	<u>2,140,617</u>	<u>187,363</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

6. Long-Term Obligations (Cont.)

E. Special Assessment Bonds

Special assessment bonds outstanding as of April 30, 2014 totaled \$2,385,935. 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.

7. Segment Information

The Village maintains three major enterprise funds. The Water Fund accounts for the activities of providing water services to residents of the Village. The Sewer Maintenance Fund accounts for the activities of providing sewer services to residents of the Village. The Refuse and Recycling Fund accounts for the activities of providing refuse and recycling services to residents of the Village. The other enterprise fund maintained by the Village is the Commuter Parking Lot Fund which is supported by charges to users.

Segment information requirements are effectively met within the basic financial statements.

8. Interfund Transactions

A. Interfund Balances

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from Other Funds</u>		
General	Enterprise Refuse and Recycling Fund	<u>\$ 16,120</u>

The interfund balances between the General and the Refuse and Recycling Fund resulted from normal operations.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
 April 30, 2014

8. Interfund Transactions (Cont.)

B. Transfers

Receiving Fund	Transferring Fund	Amount
General	Nonmajor Governmental Fund Special Revenue Police Forfeiture	\$ 50,000
General	Enterprise Refuse and Recycling Fund	35,000
Nonmajor Governmental Funds Special Revenue Police Forfeiture	Enterprise Water Fund Sewer Maintenance Fund General	2,055 2,055 4,110
Capital Projects Capital Improvements	General	40,000
Enterprise Sewer Maintenance Fund	Enterprise Water Fund	<u>30,000</u>
		<u>\$ 163,220</u>

\$50,000 transferred from the Special Revenue - Police Forfeiture Fund to the General Fund. This relates to the purchase of police vehicles and administrative costs reimbursement. This transfer will not be repaid.

\$35,000 transferred from the Refuse and Recycling Fund to the General Fund. This relates to costs incurred for administrative expenses. This transfer will not be repaid.

\$40,000 transferred from the General Fund to the Capital Projects - Capital Improvements Fund. This relates to costs incurred for construction of the Cal-Sag bike trail. This transfer will not be repaid.

\$30,000 transferred from the Water Fund to the Sewer Maintenance Fund. This relates to sewer late fees. This transfer will not be repaid.

\$2,055 transferred from both the Water Fund and Sewer Maintenance Fund and \$4,110 transferred from the General Fund to the Police Forfeiture Fund for capital expenditures. These transfers will not be repaid.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans

A. Illinois Municipal Retirement

Plan Description

The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after 8 years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full 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% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full 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% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter.

Funding Policy

As set by statute, employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 13.44%. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For calendar year 2013, the Village's actual contributions and the annual pension cost were \$198,077. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year, depending on age and service attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

IMRF conducts annual actuarial valuations as of December 31 of each year. The valuation determines the actuarial liabilities for the year of the valuation. Employer contribution rates are based on the valuation two years prior. For example, the December 31, 2011 valuation determined the liabilities for calendar year 2012 and the employer rate for calendar year 2013.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans (Cont.)

B. 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 generally 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 earnings 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 benefits provisions and all other requirements are established by State statute. SLEP members are required to contribute 7.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rate for the year ended December 31, 2013 was 16.79% of covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. Police Pension

Plan Description and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The Village payroll for employees covered by the Police Pension Plan for the year ended April 30, 2014 was \$667,605. At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	2
Current Employees	
Vested	4
Nonvested	<u>4</u>
Total	<u>10</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 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 3.00% of the original pension and 3.00% compounded annually thereafter.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans (Cont.)

C. Police Pension (Cont.)

Plan Description and Provisions (Cont.)

Tier 2 employees (those hired on or after January 1, 2011) 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the preceding calendar year.

Funding Policy

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 as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. The most recent actuarial valuation was performed as of April 30, 2013. For 2014, the Village was required to contribute 29.67% of covered payroll. Administrative costs are financed through investment earnings.

Annual Pension Cost, Net Pension Obligations (Asset) and Reserves

2014 Annual Pension Cost and Net Pension Obligation

For 2014, the Village's annual required pension contribution (ARC) was \$173,069. The Village's actual contribution was \$165,000. For a description of the significant actuarial assumptions, see Note 9.E.

The net pension asset at April 30, 2014 of \$4,820 has been reported on the Statement of Net Position.

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans (Cont.)

D. Summary of Significant Accounting Policies and Plan Asset Matters

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Computation of Net Pension Obligations at April 30, 2014

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Total
Annual Required Contribution	\$ 198,077	19,008	173,069	390,154
Interest on the NPO			(453)	(453)
Adjustments to the ARC			266	266
Annual Pension Cost	198,077	19,008	172,882	389,967
Contribution Made	198,077	19,008	165,000	382,085
Change in the Net Pension Asset	-	-	(7,882)	(7,882)
Net Pension Asset at May 1, 2013			12,702	12,702
Net Pension Asset at April 30, 2014	\$ -	-	4,820	4,820

E. Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans (Cont.)

E. Significant Actuarial Assumptions (Cont.)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Significant Actuarial Assumptions			
(a) Amortization Period	30 Years, Open	30 Years, Open	29 Years, Closed
(b) Rate of Return on Investment of Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually
(c) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.50% Compounded Annually
(d) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 10.0%	0.4% to 10.0%	Not Available

F. Funding Status at April 30, 2014

Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Illinois Municipal Retirement	\$ 1,813,921	2,962,291	1,148,370	61.23%	1,473,785	77.92%
Sheriff's Law Enforcement Personnel	354,910	414,837	59,927	85.55%	113,209	52.93%
Police Pension *	1,785,656	3,374,232	1,588,576	52.92%	562,926	282.20%

*The balances are effective as of April 30, 2012, the date the most recent actuarial valuation was performed.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

9. Defined Benefit Pension Plans (Cont.)

G. Trend Information

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Annual Pension Cost	2014	\$ 198,077	19,008	172,882
	2013	194,062	15,334	236,946
	2012	192,397	16,168	151,591
Percent Contributed	2014	100.00	100.00	106.89
	2013	105.66	100.00	107.01
	2012	100.00	100.00	110.16
Net Pension (Obligation) Asset	2014			4,820
	2013			12,702
	2012	(10,981)		64,648

10. Other Post-Employment Benefits

The Village has evaluated its potential other post-employment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. 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. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment 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, 2014.

11. Contingent Liabilities

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position of the Village.

12. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; natural disasters; illnesses of employees; and injuries to the Village's employees.

Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and specific districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. IRMA administers a mix of

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements
April 30, 2014

12. Risk Management (Cont.)

Intergovernmental Risk Management Agency (Cont.)

self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training purposes; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. The Village assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

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. 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 is aware of no additional contributions due to IRMA as of April 30, 2014.

Complete financial statements, the latest available dated December 31, 2013, may be obtained directly from IRMA's administrative offices at 4 Westbrook Corporate Center, Suite 940, Westchester, Illinois 60154.

13. Future Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

14. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation with no effect on changes in fund balance/net assets.

15. Subsequent Events

Subsequent to year end, the Village entered into a construction agreement for street improvements totaling \$339,270.

The Village has evaluated subsequent events through October 22, 2014, the date when these financial reports were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PALOS PARK, ILLINOIS

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended April 30, 2014 (With Comparative Actual)

	2014			2013 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
Revenues				
Taxes				
Property Tax	\$ 1,285,525	1,259,952	(25,573)	1,212,953
Utility Tax	519,000	525,275	6,275	507,016
Other Taxes	260,091	236,261	(23,830)	233,195
Licenses, Permits and Inspections	411,820	372,638	(39,182)	459,802
Intergovernmental				
State Sales Tax	675,000	647,035	(27,965)	665,548
State Income Tax	462,404	472,322	9,918	436,814
Other	10,500	8,841	(1,659)	50,898
Charges for Services	52,738	59,820	7,082	44,481
Fees by Agreement	358,484	403,583	45,099	379,232
Fines and Forfeits	87,670	82,972	(4,698)	78,146
Investment Income	900	(3,188)	(4,088)	4,065
Miscellaneous	34,550	48,534	13,984	37,445
Total Revenues	4,158,682	4,114,045	(44,637)	4,109,595
Expenditures				
Current				
General Government	643,348	620,088	(23,260)	604,675
Public Safety	1,891,939	1,996,363	104,424	1,914,713
Public Works	527,665	528,221	556	479,740
Building and Public Grounds	438,343	415,951	(22,392)	441,745
Culture and Recreation	331,586	328,863	(2,723)	310,424
Capital Outlay	34,450	37,569	3,119	537
Debt Service				
Principal Retirement	240,321	240,341	20	246,627
Interest Charges and Fees	17,983	17,791	(192)	23,517
Total Expenditures	4,125,635	4,185,187	59,552	4,021,978
Excess (Deficiency) of Revenues over Expenditures	33,047	(71,142)	(104,189)	87,617
Other Financing Sources (Uses)				
Transfers In	85,000	85,000		70,000
Transfers Out	(44,100)	(44,110)	(10)	(44,110)
Proceeds from Sale of Assets	1,000	7,966	6,966	1,406
Total Other Financing Sources (Uses)	41,900	48,856	6,956	27,296
Net Change in Fund Balance	\$ 74,947	(22,286)	(97,233)	114,913
Fund Balance				
Beginning		1,514,866		
Ending		1,492,580		

(See accompanying Note to the Required Supplementary Information.)

VILLAGE OF PALOS PARK, ILLINOIS

Notes to Required Supplementary Information
April 30, 2014

1. Budgetary Basis of Accounting

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 Police Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- a. 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.
- b. 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 Fine Arts Fund is not budgeted.
- c. The Appropriations Ordinance, based on the budget, is published for public hearing to obtain taxpayer comment. The appropriations ordinance serves as an appropriation authorization.
- d. The Appropriations Ordinance is legally enacted through the passage of an ordinance.
- e. 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.

2. Expenditures in Excess of Budget

The following funds had operating expenses/expenditures excluding depreciation in excess of budget for the year ended April 30, 2014.

Fund	Original and Final Budget	Expenditures
General	\$ 4,125,635	4,185,187
Police Forfeiture	81,400	89,845
Land Acquisition and Recreation	193,959	256,432
Refuse and Recycling	291,532	303,759
Police Pension	106,750	112,104

Police Forfeiture expenditures exceeded budget due to purchase price of vehicles being more than budgeted.

VILLAGE OF PALOS PARK, ILLINOIS

Required Supplementary Information

Schedule of Funding Progress

April 30, 2014

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2013	\$ 1,813,921	2,962,291	1,148,370	61.23 %	1,473,785	77.92 %
12/31/2012	1,234,362	2,602,350	1,367,988	47.43	1,426,882	95.87
12/31/2011	1,174,913	2,507,935	1,333,022	46.85	1,461,983	91.18
12/31/2010	1,247,870	2,865,379	1,617,509	43.55	1,407,774	114.90
12/31/2009	2,023,261	3,356,107	1,332,846	60.29	1,454,919	91.61
12/31/2008	1,861,482	3,008,367	1,146,885	61.88	1,414,001	81.11

Police Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2013	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2012	\$ 1,785,656	3,374,232	1,588,576	52.92 %	562,926	282.20 %
4/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2010	1,383,325	2,829,426	1,446,101	48.89	563,427	256.66
4/30/2009	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2008	951,601	2,395,755	1,444,154	39.72	588,522	245.39

N/A - No actuarial valuation was performed as of April 30, 2013, 2011 and 2009.

Sheriff's Law Enforcement Personnel

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2013	\$ 354,910	414,837	59,927	85.55 %	113,209	52.93 %
12/31/2012	309,448	351,505	42,057	88.04	104,957	40.07
12/31/2011	271,317	336,499	65,182	80.63	111,120	58.66
12/31/2010	237,731	271,311	33,580	87.62	101,619	33.05
12/31/2009	207,550	241,010	33,460	86.12	101,104	33.09
12/31/2008	186,793	204,017	17,224	91.56	96,726	17.81

VILLAGE OF PALOS PARK, ILLINOIS

Required Supplementary Information

Employer Contributions

April 30, 2014

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2013	\$ 198,077	198,077	100.00 %
12/31/2012	205,043	205,043	100.00
12/31/2011	203,287	192,397	105.66
12/31/2010	169,918	180,899	93.93
12/31/2009	171,541	171,541	100.00
12/31/2008	122,594	122,594	100.00

Police Pension Fund

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
4/30/2014	\$ 165,000	173,069	95.34 %
4/30/2013	185,000	173,069	106.89
4/30/2012	167,000	172,882	96.60
4/30/2011	194,125	151,812	127.87
4/30/2010	147,537	151,812	97.18
4/30/2009	189,366	189,366	100.00

Sheriff's Law Enforcement Personnel

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2013	\$ 19,008	19,008	100.00 %
12/31/2012	15,334	15,334	100.00
12/31/2011	16,168	16,168	100.00
12/31/2010	14,013	14,013	100.00
12/31/2009	13,807	13,807	100.00
12/31/2008	14,277	14,277	100.00

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

GOVERNMENTAL FUND TYPES

GENERAL FUND
(Major Fund)

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Balance Sheet

April 30, 2014 (With Comparative Prior Year)

	2014	2013
Assets		
Cash and Cash Equivalents	\$ 1,068,007	1,167,686
Investments	250,415	254,043
Receivables		
Property Taxes	615,897	617,216
State Sales Taxes	154,930	159,570
Other Intergovernmental	144,183	146,234
Accounts, Net of Allowance for Uncollectible Receivables	90,551	61,522
Due from Other Funds	16,120	5,910
Prepaid Items	54,255	62,707
Total Assets	\$ 2,394,358	2,474,888
Liabilities		
Accounts Payable	\$ 214,213	285,914
Deposits Payable	13,644	8,461
Wages Payable	66,444	60,670
Total Liabilities	294,301	355,045
Deferred Inflows of Resources		
Unearned Revenue - Property Taxes	607,477	604,977
Fund Balances		
Nonspendable - Prepaid Items	54,255	62,707
Unassigned	1,438,325	1,452,159
Total Fund Balances	1,492,580	1,514,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,394,358	2,474,888

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
General Government				
Administration				
Wages	\$ 275,037	278,092	3,055	261,894
Benefits	76,686	76,063	(623)	70,990
Insurance	15,125	12,711	(2,414)	12,668
Legal Fees	60,000	49,753	(10,247)	40,407
Consultants, Engineers and Planners	15,000	5,693	(9,307)	199
Other Contractual Services	79,710	80,951	1,241	53,486
Commodities	55,475	73,045	17,570	66,684
Total Administration	577,033	576,308	(725)	506,328
Public Affairs				
Insurance	1,440	1,081	(359)	1,154
Legal Fees	500		(500)	
Consultants, Engineers and Planners	1,000	142	(858)	118
Other Contractual Services	13,200	11,856	(1,344)	20,662
Commodities	4,750	3,509	(1,241)	2,689
Total Public Affairs	20,890	16,588	(4,302)	24,623
Finance				
Wages	77,517	78,058	541	101,515
Benefits	26,868	22,376	(4,492)	29,222
Insurance	5,040	4,312	(728)	4,053
Legal Fees	750	1,065	315	663
Consultants, Engineers and Planners	43,650	44,937	1,287	42,237
Commodities	4,350	5,453	1,103	6,549
Total Finance	158,175	156,201	(1,974)	184,239
Other				
Other Contractual Services	17,000	972	(16,028)	19,102
Commodities	250	19	(231)	383
Total Other	17,250	991	(16,259)	19,485
Total General Government	773,348	750,088	(23,260)	734,675
Less Administrative Charges	(130,000)	(130,000)	-	(130,000)
Net General Government	643,348	620,088	(23,260)	604,675

(Cont.)

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Public Safety				
Wages	1,115,317	1,200,973	85,656	1,128,032
Benefits	394,162	405,578	11,416	400,352
Insurance	59,060	48,412	(10,648)	56,825
Legal Fees	40,000	40,481	481	47,044
Other Contractual Services	149,500	175,686	26,186	147,283
Commodities	133,900	125,233	(8,667)	135,177
Total Public Safety	1,891,939	1,996,363	104,424	1,914,713
Public Works				
Wages	220,527	235,834	15,307	202,447
Benefits	101,698	93,193	(8,505)	89,012
Insurance	15,840	12,439	(3,401)	13,642
Legal Fees	2,500	214	(2,286)	3,402
Consultants, Engineers and Planners	3,000	2,250	(750)	1,158
Other Contractual Services	121,300	119,891	(1,409)	120,512
Commodities	62,800	64,400	1,600	49,567
Total Public Works	527,665	528,221	556	479,740
Building and Public Grounds				
Building				
Wages	173,404	150,394	(23,010)	167,554
Benefits	62,032	42,754	(19,278)	59,219
Insurance	7,920	6,701	(1,219)	6,367
Legal Fees	6,000	12,099	6,099	8,590
Consultants, Engineers and Planners	23,500	21,473	(2,027)	38,862
Other Contractual Services	31,700	52,359	20,659	(9,432)
Commodities	8,000	6,694	(1,306)	8,142
Total Building	312,556	292,474	(20,082)	279,302
Public Grounds				
Other Contractual Services	111,237	115,797	4,560	155,474
Commodities	14,550	7,680	(6,870)	6,969
Total Public Grounds	125,787	123,477	(2,310)	162,443
Total Building and Public Grounds	438,343	415,951	(22,392)	441,745

(Cont.)

VILLAGE OF PALOS PARK, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Culture and Recreation				
Recreation				
Wages	151,350	149,734	(1,616)	138,744
Benefits	34,786	34,703	(83)	31,633
Insurance	11,520	20,767	9,247	9,257
Other Contractual Services	60,730	78,066	17,336	62,806
Commodities	46,500	39,253	(7,247)	39,913
Total Recreation	304,886	322,523	17,637	282,704
Festivals				
Equipment	26,700	6,340	(20,360)	27,720
Total Culture and Recreation	331,586	328,863	(2,723)	310,424
Capital Outlay				
Administration	34,450	37,569	3,119	537
Debt Service				
Administration				
Principal Retirement	240,321	240,341	20	246,627
Interest Charges and Fees	17,983	17,791	(192)	23,517
Total Debt Service	258,304	258,132	(172)	270,144
Total Expenditures	\$ 4,125,635	4,185,187	59,552	4,021,978

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS**

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2014

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and Improvements	\$ 509,437	765,101	1,274,538
Receivables			
Sales Tax		42,176	42,176
Motor Fuel Tax Allotments	22,511		22,511
Total Assets	<u>\$ 531,948</u>	<u>807,277</u>	<u>1,339,225</u>
Liabilities			
Accounts Payable	\$ 5,811	8,000	13,811
Fund Balances			
Restricted	486,212	799,277	1,285,489
Assigned	39,925		39,925
Total Fund Balances	<u>526,137</u>	<u>799,277</u>	<u>1,325,414</u>
Total Liabilities and Fund Balances	<u>\$ 531,948</u>	<u>807,277</u>	<u>1,339,225</u>

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Year Ended April 30, 2014

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$	172,620	172,620
Intergovernmental	323,774		323,774
Charges for Services	13,433		13,433
Fines and Forfeits	64,186		64,186
Investment Income	926	141	1,067
Miscellaneous	3,256		3,256
Total Revenues	405,575	172,761	578,336
Expenditures			
Current			
Public Safety	41,492		41,492
Public Works	171,954		171,954
Building and Public Grounds		133,157	133,157
Culture and Recreation	227,517		227,517
Capital Outlay	48,353		48,353
Debt Service			
Principal	25,000	11,441	36,441
Interest	18,969	1,032	20,001
Total Expenditures	533,285	145,630	678,915
Excess (Deficiency) of Revenues over Expenditures	(127,710)	27,131	(100,579)
Other Financing Sources (Uses)			
Transfers In	8,220	40,000	48,220
Transfers Out	(50,000)		(50,000)
Total Other Financing Sources (Uses)	(41,780)	40,000	(1,780)
Net Change in Fund Balances	(169,490)	67,131	(102,359)
Fund Balances			
Beginning	695,627	732,146	1,427,773
Ending	\$ 526,137	799,277	1,325,414

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The following funds are currently established:

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.

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.

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.

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.

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

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2014 (With Comparative Prior Year Total)

(See Following Page)

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2014 (With Comparative Prior Year Total)

	Motor Fuel Tax	Police Forfeiture	Exaction Fee
Assets			
Cash and Cash Equivalents	\$ 261,681	195,105	12,726
Motor Fuel Tax Allotments Receivable	22,511		
Total Assets	\$ 284,192	195,105	12,726
Liabilities			
Accounts Payable	\$ 471	5,340	
Unearned Grants			
Total Liabilities	471	5,340	-
Fund Balances			
Restricted	283,721	189,765	12,726
Assigned			
Total Fund Balances	283,721	189,765	12,726
Total Liabilities and Fund Balances	\$ 284,192	195,105	12,726

Fine Arts	Land Acquisition and Recreation	2014 Total	2013 Total
30,512	9,413	509,437	717,403
		22,511	8,336
30,512	9,413	531,948	725,739
		5,811	11,595
			18,517
-	-	5,811	30,112
30,512	9,413	486,212	567,998
		39,925	127,629
30,512	9,413	526,137	695,627
30,512	9,413	531,948	725,739

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Special Revenue Funds

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended April 30, 2014 (With Comparative Prior Year Total)

	Motor Fuel Tax	Police Forfeiture	Exaction Fee
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 153,600		
Grant Income			
Charges for Services			
Event Fees			
Fines and Forfeits		64,186	
Investment Income	63	858	
Miscellaneous		3,086	
Total Revenues	<u>153,663</u>	<u>68,130</u>	-
Expenditures			
Current			
Public Safety		41,492	
Public Works	171,954		
Culture and Recreation			
Debt Service			
Principal			
Interest and Fiscal Charges			
Capital Outlay		48,353	
Total Expenditures	<u>171,954</u>	<u>89,845</u>	-
Excess (Deficiency) of Revenues over Expenditures	<u>(18,291)</u>	<u>(21,715)</u>	-
Other Financing Sources (Uses)			
Transfers In		8,220	
Transfers Out		(50,000)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>(41,780)</u>	-
Net Change in Fund Balance	(18,291)	(63,495)	
Fund Balance			
May 1	<u>302,012</u>	<u>253,260</u>	<u>12,726</u>
April 30	<u>\$ 283,721</u>	<u>189,765</u>	<u>12,726</u>

Fine Arts	Land Acquisition and Recreation	2014 Total	2013 Total
		153,600	135,783
1,424	168,750	170,174	1,118
13,433		13,433	14,865
		64,186	42,361
2	3	926	1,395
170		3,256	1,910
15,029	168,753	405,575	197,432
		41,492	45,848
		171,954	35,921
15,054	212,463	227,517	45,973
	25,000	25,000	25,000
	18,969	18,969	19,926
		48,353	63,293
15,054	256,432	533,285	235,961
(25)	(87,679)	(127,710)	(38,529)
		8,220	8,220
		(50,000)	(70,000)
-	-	(41,780)	(61,780)
(25)	(87,679)	(169,490)	(100,309)
30,537	97,092	695,627	795,936
30,512	9,413	526,137	695,627

VILLAGE OF PALOS PARK, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Motor Fuel Taxes	\$ 113,905	153,600	39,695	135,783
Investment Income	175	63	(112)	212
Total Revenues	<u>114,080</u>	<u>153,663</u>	<u>39,583</u>	<u>135,995</u>
Expenditures				
Current				
Public Works				
Supplies	95,000	101,954	6,954	35,921
Contractual Services	103,000	70,000	(33,000)	
Total Expenditures	<u>198,000</u>	<u>171,954</u>	<u>(26,046)</u>	<u>35,921</u>
Net Change in Fund Balance	<u>\$ (83,920)</u>	<u>(18,291)</u>	<u>65,629</u>	100,074
Fund Balance				
May 1		<u>302,012</u>		<u>201,938</u>
April 30		<u>283,721</u>		<u>302,012</u>

VILLAGE OF PALOS PARK, ILLINOIS

Police Forfeiture Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Fines and Forfeits	\$	64,186	64,186	42,361
Investment Income		858	858	1,103
Miscellaneous		3,086	3,086	1,450
Total Revenues	-	68,130	68,130	44,914
Expenditures				
Current				
Police				
Supplies	29,500	9,491	(20,009)	19,573
Contractual Services	21,000	32,001	11,001	26,275
Capital Outlay	30,900	48,353	17,453	63,293
Total Expenditures	81,400	89,845	8,445	109,141
Excess (Deficiency) of Revenues over Expenditures	(81,400)	(21,715)	59,685	(64,227)
Other Financing Sources (Uses)				
Transfers In	8,220	8,220		8,220
Transfers Out		(50,000)	(50,000)	(70,000)
Total Other Financing Sources (Uses)	8,220	(41,780)	(50,000)	(61,780)
Net Change in Fund Balance	\$ (73,180)	(63,495)	9,685	(126,007)
Fund Balance				
May 1		253,260		379,267
April 30		189,765		253,260

VILLAGE OF PALOS PARK, ILLINOIS

Exaction Fee Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Charges for Services				
Exaction Fees	\$			
Expenditures				
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
May 1		<u>12,726</u>		<u>12,726</u>
April 30		<u>12,726</u>		<u>12,726</u>

VILLAGE OF PALOS PARK, ILLINOIS

Land Acquisition and Recreation Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Intergovernmental	\$ 95,000	168,750	73,750	
Investment Income		3	3	77
Total Revenues	<u>95,000</u>	<u>168,753</u>	<u>73,753</u>	<u>77</u>
Expenditures				
Current				
Culture and Recreation	150,000	212,463	62,463	21,359
Debt Service				
Principal	25,000	25,000		25,000
Interest and Fiscal Charges	18,959	18,969	10	19,926
Total Expenditures	<u>193,959</u>	<u>256,432</u>	<u>62,473</u>	<u>66,285</u>
Net Change in Fund Balance	<u>\$ (98,959)</u>	<u>(87,679)</u>	<u>11,280</u>	<u>(66,208)</u>
Fund Balance				
May 1		<u>97,092</u>		<u>163,300</u>
April 30		<u>9,413</u>		<u>97,092</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The following funds are currently established:

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.

The $\frac{1}{2}\%$ **Sales Tax Fund** is used to account for the proceeds of non-home rule sales tax.

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Capital Projects Funds

Combining Balance Sheet

April 30, 2014 (With Comparative Prior Year Total)

	Capital Improvements	1/2% Sales Tax	2014 Total	2013 Total
Assets				
Cash and Investments	\$ 432,340	332,761	765,101	694,757
Receivables				
Sales Tax		42,176	42,176	42,340
Total Assets	<u>\$ 432,340</u>	<u>374,937</u>	<u>807,277</u>	<u>737,097</u>
Liabilities				
Accounts Payable	\$	8,000	8,000	4,951
Fund Balances				
Restricted	<u>432,340</u>	<u>366,937</u>	<u>799,277</u>	<u>732,146</u>
Total Liabilities and Fund Balances	<u>\$ 432,340</u>	<u>374,937</u>	<u>807,277</u>	<u>737,097</u>

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Capital Projects Funds

Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended April 30, 2014 (With Comparative Prior Year Total)

	Capital Improvements	1/2% Sales Tax	2014 Total	2013 Total
Revenues				
Taxes	\$	172,620	172,620	180,461
Intergovernmental				15,749
Investment Income	75	66	141	574
Total Revenues	75	172,686	172,761	196,784
Expenditures				
Current				
Building and Public Grounds		133,157	133,157	109,250
Debt Service				
Principal		11,441	11,441	3,612
Interest and Fiscal Charges		1,032	1,032	545
Total Expenditures	-	145,630	145,630	113,407
Excess of Revenues over Expenditures	75	27,056	27,131	83,377
Other Financing Sources				
Transfers In	40,000		40,000	40,000
Net Change in Fund Balances	40,075	27,056	67,131	123,377
Fund Balances				
Beginning	392,265	339,881	732,146	608,769
Ending	\$ 432,340	366,937	799,277	732,146

VILLAGE OF PALOS PARK, ILLINOIS

Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Investment Income	\$	75	75	321
Expenditures				
Excess of Revenues over Expenditures	-	75	75	321
Other Financing Sources				
Transfers In		40,000	40,000	40,000
Net Change in Fund Balance	\$ -	40,075	40,075	40,321
Fund Balance				
May 1		<u>392,265</u>		<u>351,944</u>
April 30		<u>432,340</u>		<u>392,265</u>

VILLAGE OF PALOS PARK, ILLINOIS

1/2% Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Final Budget	Actual		
Revenues				
Taxes				
Sales Tax	\$ 182,775	172,620	(10,155)	180,461
Intergovernmental				15,749
Investment Income		66	66	253
Total Revenues	<u>182,775</u>	<u>172,686</u>	<u>(10,089)</u>	<u>196,463</u>
Expenditures				
Current				
Building and Public Grounds				
Contractual Services	6,000	1,005	(4,995)	
Supplies	4,000	4,000		4,000
Capital Outlays	259,700	128,152	(131,548)	105,250
Debt Service				
Principal	7,599	11,441	3,842	3,612
Interest and Fiscal Charges	716	1,032	316	545
Total Expenditures	<u>278,015</u>	<u>145,630</u>	<u>(132,385)</u>	<u>113,407</u>
Net Change in Fund Balance	<u>\$ (95,240)</u>	<u>27,056</u>	<u>122,296</u>	<u>83,056</u>
Fund Balance				
May 1		<u>339,881</u>		<u>256,825</u>
April 30		<u><u>366,937</u></u>		<u><u>339,881</u></u>

PROPRIETARY FUND TYPE

MAJOR ENTERPRISE FUNDS

The **Water Fund** accounts for the provision 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** accounts for the provision 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** accounts for the provision 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, and billing and collection.

VILLAGE OF PALOS PARK, ILLINOIS

Water Fund (Major Fund)

Statement of Net Position
 April 30, 2014 (With Comparative Prior Year)

	2014	2013
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,730,011	1,636,568
Investments	107,320	108,876
Accounts Receivable, Net of Allowance for Uncollectible Accounts	237,988	215,807
Prepaid Expenses	5,198	6,955
Total Current Assets	<u>2,080,517</u>	<u>1,968,206</u>
Capital Assets		
Capital Assets Not Being Depreciated	20,000	20,000
Capital Assets Being Depreciated, Cost	18,454,745	18,426,626
Less Accumulated Depreciation	<u>(7,237,703)</u>	<u>(6,767,081)</u>
Total Capital Assets	<u>11,237,042</u>	<u>11,679,545</u>
Total Assets	<u>13,317,559</u>	<u>13,647,751</u>
Liabilities		
Current Liabilities		
Accounts Payable	66,493	68,534
Wages Payable	9,491	8,896
Accrued Interest	28,130	29,107
Compensated Absences Payable	4,995	3,742
General Obligation Bonds Payable	99,150	94,150
Special Assessment Bonds Payable	37,710	37,710
Other Debt Obligations	3,955	5,644
Total Current Liabilities	<u>249,924</u>	<u>247,783</u>
Long-Term Liabilities		
Compensated Absences Payable	19,979	21,145
General Obligation Bonds Payable	1,594,506	1,693,306
Special Assessment Bonds Payable	132,362	170,071
Other Debt Obligations	1,960	5,992
Total Long-Term Liabilities	<u>1,748,807</u>	<u>1,890,514</u>
Total Liabilities	<u>1,998,731</u>	<u>2,138,297</u>
Net Position		
Net Investment in Capital Assets	9,367,399	9,672,672
Unrestricted	<u>1,951,429</u>	<u>1,836,782</u>
Total Net Position	<u>\$ 11,318,828</u>	<u>11,509,454</u>

VILLAGE OF PALOS PARK, ILLINOIS

Water Fund (Major Fund)

Schedule of Operating and Nonoperating Revenues,
Operating and Nonoperating Expenses and Transfers - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 1,709,580	1,817,465	107,885	1,769,969
Sale of Water Meters	5,000	4,445	(555)	8,945
Other Income	24,300	31,662	7,362	22,337
Total Operating Revenues	<u>1,738,880</u>	<u>1,853,572</u>	<u>114,692</u>	<u>1,801,251</u>
Operating Expenses				
Personnel	462,516	477,711	15,195	438,742
Commodities	123,300	64,259	(59,041)	71,660
Water Purchases	560,000	612,530	52,530	534,432
Services	421,835	404,683	(17,152)	420,150
Capital Outlay	61,000	31,335	(29,665)	29,872
Total Operating Expenses	<u>1,628,651</u>	<u>1,590,518</u>	<u>(38,133)</u>	<u>1,494,856</u>
Operating Income	<u>110,229</u>	<u>263,054</u>	<u>152,825</u>	<u>306,395</u>
Nonoperating Revenues (Expenses)				
Investment Income	750	(1,484)	(2,234)	1,959
Rental Income	41,627	55,715	14,088	41,627
Tap-on Fees	16,803	44,217	27,414	14,364
Debt Principal Payment	(136,510)	(137,230)	(720)	(125,916)
Interest Expense	(79,766)	(77,570)	2,196	(82,629)
Total Nonoperating Revenues (Expenses)	<u>(157,096)</u>	<u>(116,352)</u>	<u>40,744</u>	<u>(150,595)</u>
Net Income (Loss) Before Transfers	<u>(46,867)</u>	<u>146,702</u>	<u>193,569</u>	<u>155,800</u>
Transfers Out	<u>(32,055)</u>	<u>(32,055)</u>		<u>(22,055)</u>
Net Income (Loss) (Budgetary Basis)	<u>\$ (78,922)</u>	<u>114,647</u>	<u>193,569</u>	<u>133,745</u>
Adjustments to GAAP Basis				
Debt Principal Payment		137,230		125,916
Capitalized Assets		28,119		21,421
Depreciation		(470,622)		(466,710)
		<u>(305,273)</u>		<u>(319,373)</u>
Net Loss - GAAP Basis		<u>(190,626)</u>		<u>(185,628)</u>
Net Position				
Beginning		<u>11,509,454</u>		<u>11,695,082</u>
Ending		<u>11,318,828</u>		<u>11,509,454</u>

VILLAGE OF PALOS PARK, ILLINOIS

Sewer Maintenance Fund (Major Fund)

Statement of Net Position

April 30, 2014 (With Comparative Prior Year)

	2014	2013
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 699,305	599,276
Accounts Receivable, Net of Allowance for Uncollectible Accounts	52,942	55,345
Prepaid Expenses	4,548	6,199
Total Current Assets	<u>756,795</u>	<u>660,820</u>
Capital Assets		
Capital Assets Being Depreciated, Cost	17,158,632	17,080,420
Less Accumulated Depreciation	<u>(7,507,376)</u>	<u>(7,040,384)</u>
Total Capital Assets	<u>9,651,256</u>	<u>10,040,036</u>
Total Assets	<u>10,408,051</u>	<u>10,700,856</u>
Liabilities		
Current Liabilities		
Accounts Payable	7,844	13,807
Wages Payable	3,132	3,127
Accrued Interest	4,337	4,872
Compensated Absences Payable	1,748	1,280
General Obligation Bonds Payable	35,850	35,850
Other Debt Obligations	3,955	5,644
Total Current Liabilities	<u>56,866</u>	<u>64,580</u>
Long-Term Liabilities		
Compensated Absences Payable	6,993	7,971
General Obligation Bonds Payable	195,494	231,694
Other Debt Obligations	1,960	5,992
Total Long-Term Liabilities	<u>204,447</u>	<u>245,657</u>
Total Liabilities	<u>261,313</u>	<u>310,237</u>
Net Position		
Net Investment in Capital Assets	9,413,997	9,760,856
Unrestricted	<u>732,741</u>	<u>629,763</u>
Total Net Position	<u>\$ 10,146,738</u>	<u>10,390,619</u>

VILLAGE OF PALOS PARK, ILLINOIS

Sewer Maintenance Fund (Major Fund)

Schedule of Operating and Nonoperating Revenues,
Operating and Nonoperating Expenses and Transfers - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 482,000	515,039	33,039	515,542
Other Income	1,000	1,200	200	2,083
Total Operating Revenues	<u>483,000</u>	<u>516,239</u>	<u>33,239</u>	<u>517,625</u>
Operating Expenses				
Personnel	172,323	167,061	(5,262)	151,724
Commodities	28,000	18,136	(9,864)	18,087
Services	201,280	138,292	(62,988)	139,500
Capital Outlay	85,000	96,221	11,221	125,637
Total Operating Expenses	<u>486,603</u>	<u>419,710</u>	<u>(66,893)</u>	<u>434,948</u>
Operating Income (Loss)	<u>(3,603)</u>	<u>96,529</u>	<u>100,132</u>	<u>82,677</u>
Nonoperating Revenues (Expenses)				
Investment Income	400	49	(351)	458
Tap-on Fees	16,200	31,289	15,089	
Debt Principal Payment	(39,300)	(41,921)	(2,621)	(35,406)
Interest Expense	(11,099)	(10,913)	186	(12,394)
Total Nonoperating Revenues (Expenses)	<u>(33,799)</u>	<u>(21,496)</u>	<u>12,303</u>	<u>(47,342)</u>
Net Income (Loss) Before Transfers	<u>(37,402)</u>	<u>75,033</u>	<u>112,435</u>	<u>35,335</u>
Transfers In	30,000	30,000		20,000
Transfers Out	(2,055)	(2,055)		(2,055)
Net Transfers	<u>27,945</u>	<u>27,945</u>	<u>-</u>	<u>17,945</u>
Net Income (Loss) (Budgetary Basis)	<u>\$ (9,457)</u>	<u>102,978</u>	<u>112,435</u>	<u>53,280</u>
Adjustments to GAAP Basis				
Debt Principal Payment		41,921		35,406
Capitalized Assets		78,212		62,036
Depreciation		(466,992)		(460,810)
		<u>(346,859)</u>		<u>(363,368)</u>
Net Loss - GAAP Basis		(243,881)		(310,088)
Net Position				
Beginning		<u>10,390,619</u>		<u>10,700,707</u>
Ending		<u>10,146,738</u>		<u>10,390,619</u>

VILLAGE OF PALOS PARK, ILLINOIS

Refuse and Recycling Fund (Major Fund)

Statement of Net Position
April 30, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Accounts Receivable, Net of Allowance for Uncollectible Accounts	<u>\$ 56,838</u>	<u>56,572</u>
Liabilities		
Current Liabilities		
Accounts Payable	25,772	25,271
Due to Other Funds	16,120	5,910
Total Current Liabilities	<u>41,892</u>	<u>31,181</u>
Net Position		
Unrestricted	<u>\$ 14,946</u>	<u>25,391</u>

VILLAGE OF PALOS PARK, ILLINOIS

Refuse and Recycling Fund (Major Fund)

Schedule of Operating and Nonoperating Revenues,
 Operating and Nonoperating Expenses and Transfers - Budget and Actual
 Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 326,840	328,314	1,474	322,194
Operating Expenses				
Services	291,532	303,759	12,227	296,803
Net Income Before Transfers	35,308	24,555	(10,753)	25,391
Transfers Out	(35,000)	(35,000)		
Net Change in Fund Balance	<u>\$ 308</u>	(10,445)	<u>(10,753)</u>	25,391
Net Position				
Beginning		<u>25,391</u>		<u>25,391</u>
Ending		<u>14,946</u>		<u>25,391</u>

NONMAJOR ENTERPRISE FUND

The **Commuter Parking Lot Fund** is used to account for the provision 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.

VILLAGE OF PALOS PARK, ILLINOIS

Commuter Parking Lot Fund (Nonmajor Fund)

Statement of Net Position

April 30, 2014 (With Comparative Prior Year)

	2014	2013
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 44,627	41,637
Prepaid Expenses	975	1,134
Total Current Assets	45,602	42,771
Liabilities		
Current Liabilities		
Accounts Payable	8,857	2,863
Net Position		
Unrestricted	\$ 36,745	39,908

VILLAGE OF PALOS PARK, ILLINOIS

Commuter Parking Lot Fund (Nonmajor)

Schedule of Operating and Nonoperating Revenues,
 Operating and Nonoperating Expenses and Transfers - Budget and Actual
 Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 80,000	87,443	7,443	87,093
Operating Expenses				
Commodities	62,000	37,200	(24,800)	27,442
Services	56,260	49,562	(6,698)	57,151
Capital Outlay	4,000	4,000		2,136
Total Operating Expenses	122,260	90,762	(31,498)	86,729
Operating Income (Loss)	(42,260)	(3,319)	38,941	364
Nonoperating Revenues				
Investment Income	100	156	56	157
Net Income (Loss)	<u>\$ (42,160)</u>	(3,163)	<u>38,997</u>	521
Net Position				
Beginning		<u>39,908</u>		<u>39,387</u>
Ending		<u>36,745</u>		<u>39,908</u>

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the Village in a fiduciary capacity. The following funds are currently established:

The **Police Pension Fund** is used to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by State statutes and by the Village through an annual property tax levy.

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

VILLAGE OF PALOS PARK, ILLINOIS

Police Pension Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
Year Ended April 30, 2014 (With Comparative Actual)

	2014		Variance Over (Under)	2013 Actual
	Budget	Actual		
Additions				
Contributions				
Employer	\$ 165,000	165,000		185,000
Participants	62,400	64,995	2,595	62,265
Total Contributions	<u>227,400</u>	<u>229,995</u>	<u>2,595</u>	<u>247,265</u>
Investment Income				
Investment Income	65,000	29,296	(35,704)	79,016
Less Investment Expenses	(6,500)	(8,859)	(2,359)	(9,473)
Total Investment Income	<u>58,500</u>	<u>20,437</u>	<u>(38,063)</u>	<u>69,543</u>
Total Additions	<u>285,900</u>	<u>250,432</u>	<u>(35,468)</u>	<u>316,808</u>
Deductions				
Benefits	105,250	112,104	6,854	108,508
Administration	1,500		(1,500)	632
Total Deductions	<u>106,750</u>	<u>112,104</u>	<u>5,354</u>	<u>109,140</u>
Change in Net Position	<u>\$ 179,150</u>	138,328	<u>(40,822)</u>	207,668
Net Position Held in Trust for				
Pension Benefits				
Beginning		<u>1,993,324</u>		<u>1,785,656</u>
Ending		<u>2,131,652</u>		<u>1,993,324</u>

VILLAGE OF PALOS PARK, ILLINOIS

Agency Funds

Schedule of Changes in Assets and Liabilities
Year Ended April 30, 2014

	Balances May 1	Additions	Deletions	Balances April 30
SPECIAL ASSESSMENT FUND #9				
Assets				
Cash and Cash Equivalents	\$ 121,332		16	121,316
Liabilities				
Due to Bondholders	\$ 121,332		16	121,316
SPECIAL ASSESSMENT FUND #11				
Assets				
Cash and Cash Equivalents	\$ 91,985		12	91,973
Liabilities				
Due to Bondholders	\$ 91,985		12	91,973
SPECIAL ASSESSMENT FUND #12				
Assets				
Cash and Cash Equivalents	\$ 182,500		24	182,476
Liabilities				
Due to Bondholders	\$ 182,500		24	182,476
SPECIAL ASSESSMENT FUND #93-1				
Assets				
Cash and Cash Equivalents	\$ 548,358	400	72	548,686
Liabilities				
Due to Bondholders	\$ 548,358	400	72	548,686
SPECIAL ASSESSMENT FUND #96-1A				
Assets				
Cash and Cash Equivalents	\$ 178,190	56,651	16,524	218,317
Liabilities				
Due to Bondholders	\$ 178,190	56,651	16,524	218,317

(Cont.)

VILLAGE OF PALOS PARK, ILLINOIS

Agency Funds

Schedule of Changes in Assets and Liabilities (Cont.)
 Year Ended April 30, 2014

	Balances May 1	Additions	Deletions	Balances April 30
SPECIAL ASSESSMENT FUND #96-1B				
Assets				
Cash and Cash Equivalents	\$ 370,397	155,179	222,534	303,042
Liabilities				
Due to Bondholders	\$ 370,397	155,179	222,534	303,042
SPECIAL ASSESSMENT FUND #13A				
Assets				
Cash and Cash Equivalents	\$ 330,276	67,259	92,113	305,422
Liabilities				
Due to Bondholders	\$ 330,276	67,259	92,113	305,422
SPECIAL ASSESSMENT FUND #13B				
Assets				
Cash and Cash Equivalents	\$ 709,027	173,328	243,756	638,599
Liabilities				
Due to Bondholders	\$ 709,027	173,328	243,756	638,599
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 2,532,065	452,817	575,051	2,409,831
Liabilities				
Due to Bondholders	\$ 2,532,065	452,817	575,051	2,409,831

SUPPLEMENTAL INFORMATION

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2002 Certificates
April 30, 2014

Date of Issue	March 26, 2002
Original Principal	\$ 300,000
Date of Maturity	January 1, 2017
Interest Rate	1.80% to 5.05%
Principal Payments	January 1
Interest Payments	January 1 and July 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 24,000	3,715	27,715
2016	25,000	2,551	27,551
2017	26,000	1,313	27,313
	<u>\$ 75,000</u>	<u>7,579</u>	<u>82,579</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2004 General Obligation Alternate Revenue Bonds
April 30, 2014

Date of Issue	November 4, 2004
Original Principal	\$ 450,000
Date of Maturity	December 1, 2019
Interest Rate	1.80% to 4.10%
Principal Payments	December 1
Interest Payments	June 1 and December 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 30,000	8,160	38,160
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>\$ 210,000</u>	<u>30,062</u>	<u>240,062</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2005 General Obligation Alternate Revenue Bonds
April 30, 2014

Date of Issue	November 4, 2005
Original Principal	\$ 450,000
Date of Maturity	December 1, 2019
Interest Rate	3.10% to 4.05%
Principal Payments	December 1
Interest Payments	June 1 and December 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 35,000	8,243	43,243
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>\$ 210,000</u>	<u>29,155</u>	<u>239,155</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2006 Certificates
April 30, 2014

Date of Issue	October 26, 2006
Original Principal	\$ 570,000
Date of Maturity	December 1, 2025
Interest Rate	3.60% to 4.35%
Principal Payments	December 1
Interest Payments	June 1 and December 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 25,000	17,571	42,571
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>\$ 420,000</u>	<u>126,308</u>	<u>546,308</u>

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2010 Refunding Certificates

April 30, 2014

Date of Issue	January 25, 2010
Original Principal	\$ 1,055,000
Date of Maturity	December 1, 2014
Interest Rate	2.00% to 3.00%
Principal Payments	December 1
Interest Payments	June 1 and December 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 225,000	6,750	231,750

VILLAGE OF PALOS PARK, ILLINOIS

Long-Term Debt Requirements

Series 2010 General Obligation Alternate Revenue Bonds
April 30, 2014

Date of Issue	May 25, 2010
Original Principal	\$ 1,750,000
Date of Maturity	December 1, 2029
Interest Rate	2.50% to 4.30%
Principal Payments	December 1
Interest Payments	June 1 and December 1
Financial Institution	BNY Mellon Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30	Principal	Interest	Total
2015	\$ 70,000	57,385	127,385
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>\$ 1,505,000</u>	<u>571,333</u>	<u>2,076,333</u>

STATISTICAL SECTION

VILLAGE OF PALOS PARK, ILLINOIS

Statistical Section

This part of the Village of Palos Park, Illinois' 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.

<u>CONTENTS</u>	<u>PAGES</u>
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.	92-101
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue sources, the sales tax and property tax.	102-108
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.	109-115
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.	116-117
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.	118-122

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Village of Palos Park, Illinois implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

FINANCIAL TRENDS

VILLAGE OF PALOS PARK, ILLINOIS

Net Position by Component

Last Ten Fiscal Years

(See Following Page)

VILLAGE OF PALOS PARK, ILLINOIS

Net Position by Component

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Governmental Activities				
Net Investment in Capital Assets	\$ 4,026,741	3,833,183	3,585,298	3,466,820
Restricted	1,285,489	1,300,144	1,202,700	841,928
Unrestricted	1,312,363	1,427,640	1,484,791	1,719,120
Total Governmental Activities Net Position	\$ 6,624,593	6,560,967	6,272,789	6,027,868
Business-Type Activities				
Net Investment in Capital Assets	\$ 18,781,396	19,433,528	20,116,269	20,857,596
Unrestricted	2,735,861	2,531,844	2,355,704	1,993,789
Total Business-Type Activities Net Position	\$ 21,517,257	21,965,372	22,471,973	22,851,385
Primary Government				
Net Investment in Capital Assets	\$ 22,808,137	23,266,711	23,701,567	24,324,416
Restricted	1,285,489	1,300,144	1,202,700	841,928
Unrestricted	4,048,224	3,959,484	3,840,495	3,712,909
Total Primary Government Net Position	\$ 28,141,850	28,526,339	28,744,762	28,879,253

Data Source

Audited Financial Statements

2010	2009	2008	2007	2006	2005
3,273,865	3,292,655	3,151,308	2,997,346	2,108,522	1,640,412
191,552	127,819	122,866	150,945	142,385	150,159
1,390,918	1,351,511	1,532,600	1,523,471	1,632,543	1,574,192
4,856,335	4,771,985	4,806,774	4,671,762	3,883,450	3,364,763
22,337,788	21,891,367	21,036,524	21,036,524	20,981,990	21,907,584
803,652	1,616,093	1,807,134	1,807,134	1,546,673	1,041,517
23,141,440	23,507,460	22,843,658	22,843,658	22,528,663	22,949,101
25,611,653	25,184,022	24,187,832	24,033,870	23,090,512	23,547,996
191,552	127,819	122,866	150,945	142,385	150,159
2,194,570	2,967,604	3,339,734	3,330,605	3,179,216	2,615,709
27,997,775	28,279,445	27,650,432	27,515,420	26,412,113	26,313,864

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Expenses				
Governmental Activities				
General Government	\$ 699,757	702,364	711,048	675,072
Public Safety	2,084,277	2,076,275	1,930,667	1,861,070
Public Works	742,048	480,874	637,683	537,325
Building and Public Grounds	549,108	552,790	782,039	568,127
Cultural and Recreation	565,181	364,858	296,926	280,567
Solid Waste			286,300	276,741
Interest	35,460	43,988	49,317	55,392
Total Governmental Activities Expenses	<u>4,675,831</u>	<u>4,221,149</u>	<u>4,693,980</u>	<u>4,254,294</u>
Business-Type Activities				
Water	2,110,591	2,022,774	1,732,837	1,656,522
Sewer	819,403	846,116	821,286	817,699
Refuse and Recycling	303,759	296,803		
Commuter Lot	90,762	86,729	70,087	76,703
Total Business-Type Activities Expenses	<u>3,324,515</u>	<u>3,252,422</u>	<u>2,624,210</u>	<u>2,550,924</u>
Total Primary Government Expenses	<u>\$ 8,000,346</u>	<u>7,473,571</u>	<u>7,318,190</u>	<u>6,805,218</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 501,061	468,961	497,891	467,002
Public Safety	148,039	124,343	75,920	843,639
Public Works	11,174	12,583	12,530	9,852
Building and Public Grounds	150,284	242,355	210,579	230,715
Cultural and Recreation	187,498	171,763	157,271	161,816
Solid Wastes			314,705	303,628
Operating Grants and Contributions	331,191	202,430	274,280	154,832
Capital Grants and Contributions				
Total Governmental Activities Program Revenues	<u>1,329,247</u>	<u>1,222,435</u>	<u>1,543,176</u>	<u>2,171,484</u>
Business-Type Activities				
Charges for Services				
Water	1,897,789	1,842,878	1,670,509	1,671,072
Sewer	547,528	517,625	485,395	497,818
Refuse and Recycling	328,314	322,194		
Commuter Lot	87,443	87,093	86,417	82,105
Operating Grants and Contributions				2,358
Capital Grants and Contributions				
Total Business-Type Activities Program Revenues	<u>2,861,074</u>	<u>2,769,790</u>	<u>2,242,321</u>	<u>2,253,353</u>
Total Primary Government Program Revenues	<u>\$ 4,190,321</u>	<u>3,992,225</u>	<u>3,785,497</u>	<u>4,424,837</u>
Net Revenue (Expense)				
Governmental Activities	\$ (3,346,584)	(2,998,714)	(3,150,804)	(2,082,810)
Business-Type Activities	<u>(463,441)</u>	<u>(482,632)</u>	<u>(381,889)</u>	<u>(297,571)</u>
Total Primary Government Net Revenue (Expense)	<u>\$ (3,810,025)</u>	<u>(3,481,346)</u>	<u>(3,532,693)</u>	<u>(2,380,381)</u>

2010	2009	2008	2007	2006	2005
777,949	791,421	900,666	892,396	724,948	799,995
1,873,156	1,926,213	1,946,030	1,643,589	1,687,093	1,495,343
578,961	530,728	676,962	550,148	379,832	334,492
596,335	790,866	681,183	642,185	749,496	622,563
309,727	331,727	312,111	314,641	333,239	261,654
263,727	252,592	245,040	235,692	224,678	206,672
76,830	102,709	123,393	115,360	106,592	114,963
4,476,685	4,726,256	4,885,385	4,394,011	4,205,878	3,835,682
1,543,690	1,474,896	1,359,605	1,153,590	1,185,855	1,102,340
837,692	849,458	675,554	573,225	625,027	562,946
72,485	106,159	72,197	99,572	27,900	21,770
2,453,867	2,430,513	2,107,356	1,826,387	1,838,782	1,687,056
6,930,552	7,156,769	6,992,741	6,220,398	6,044,660	5,522,738
284,670	311,656	269,615	288,273	203,115	162,258
319,211	229,111	261,094	196,069	269,785	317,952
4,500		2,884	574	14,371	682
244,904	313,868	563,833	428,045	329,291	327,062
172,160	188,003	226,646	203,801	207,246	178,288
274,995	256,041	245,708	238,554	227,895	199,865
128,535	189,263	159,700	210,353	400,799	167,812
14,020	20,000		520,000		
1,442,995	1,507,942	1,729,480	2,085,669	1,652,502	1,353,919
1,465,267	1,058,410	904,234	815,765	875,349	834,829
465,038	241,071	175,351	163,623	159,059	120,412
82,303	92,038	92,739	70,801	27,265	27,888
		2,231,197	510,000		
2,012,608	1,391,519	3,403,521	1,560,189	1,061,673	983,129
3,455,603	2,899,461	5,133,001	3,645,858	2,714,175	2,337,048
(3,033,690)	(3,218,314)	(3,155,905)	(2,308,342)	(2,553,376)	(2,481,763)
(441,259)	(1,038,994)	1,296,165	(266,198)	(777,109)	(703,927)
(3,474,949)	(4,257,308)	(1,859,740)	(2,574,540)	(3,330,485)	(3,185,690)

(Cont.)

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Net Position (Cont.)

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 1,259,952	1,212,953	1,206,448	1,232,400
Sales	819,655	846,009	855,009	836,166
Income	472,322	436,814	393,386	365,586
Utility	525,275	507,016	535,051	547,238
Other	236,261	233,195	243,637	239,702
Investment Income	(2,121)	6,034	14,298	13,018
Miscellaneous	51,790	39,355	29,815	20,233
Gain of Sale of Capital Assets	7,966	1,406	3,971	
Gain on Sale of Easements			110,000	
Contributions				
Transfers In	39,110	4,110	4,110	
Total Governmental Activities	3,410,210	3,286,892	3,395,725	3,254,343
Business-Type Activities				
Investment Income	(1,279)	2,574	6,587	7,516
Miscellaneous	55,715	14,364		
Transfers Out	(39,110)	(4,110)	(4,110)	
Total Business-Type Activities	15,326	12,828	2,477	7,516
Total Primary Government	\$ 3,425,536	3,299,720	3,398,202	3,261,859
Change in Net Position				
Governmental Activities	\$ 63,626	288,178	244,921	1,171,533
Business-Type Activities	(448,115)	(469,804)	(379,412)	(290,055)
Total Primary Government Change in Net Position	\$ (384,489)	(181,626)	(134,491)	881,478

Data Source

Audited Financial Statements

2010	2009	2008	2007	2006	2005
1,179,055	1,053,410	1,014,455	956,234	899,096	863,244
785,862	858,847	943,390	890,588	849,185	686,106
372,418	427,237	431,732	395,205	358,296	317,444
554,177	620,803	603,983	558,092	654,620	569,752
179,842	152,995	151,077	147,006	187,788	182,782
5,403	30,646	65,619	90,893	48,715	29,452
41,283	39,587	80,661	59,050	62,566	42,970
				8,297	11,461
					7,005
3,118,040	3,183,525	3,290,917	3,097,068	3,068,563	2,710,216
3,894	30,254	87,519	93,701	50,846	22,684
71,345	136,228	152,630	487,492	305,825	355,993
75,239	166,482	240,149	581,193	356,671	378,677
3,193,279	3,350,007	3,531,066	3,678,261	3,425,234	3,088,893
84,350	(34,789)	135,012	788,726	515,187	228,453
(366,020)	(872,512)	1,536,314	314,995	(420,438)	(325,250)
(281,670)	(907,301)	1,671,326	1,103,721	94,749	(96,797)

VILLAGE OF PALOS PARK, ILLINOIS

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
General Fund				
Nonspendable	\$ 54,255	62,707	63,632	
Unassigned	1,438,325	1,452,159	1,336,321	
Reserved				60,215
Unreserved				1,123,958
Total General Fund	1,492,580	1,514,866	1,399,953	1,184,173
All Other Governmental Funds				
Restricted	1,285,489	1,300,144	1,202,700	
Assigned	39,925	127,629	202,005	
Reserved				841,928
Unreserved				
Special Revenue Funds				48,281
Capital Projects Funds				635,138
Total All Other Governmental Funds	1,325,414	1,427,773	1,404,705	1,525,347
Total Governmental Funds	\$ 2,817,994	2,942,639	2,804,658	2,709,520

Data Source

Audited Financial Statements

2010	2009	2008	2007	2006	2005
58,168	53,247	81,614	40,754	39,324	65,256
922,908	1,017,976	1,181,635	1,329,466	1,326,285	1,321,404
981,076	1,071,223	1,263,249	1,370,220	1,365,609	1,386,660
195,372	127,819	122,866	150,945	142,385	145,325
90,143	150,721	136,550	127,168	145,173	144,606
491,926	413,848	464,760	387,106	297,920	201,989
777,441	692,388	724,176	665,219	585,478	491,920
1,758,517	1,763,611	1,987,425	2,035,439	1,951,087	1,878,580

VILLAGE OF PALOS PARK, ILLINOIS

Changes in Fund Balances of Government Funds

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Revenues				
Taxes	\$ 2,194,108	\$ 2,133,625	3,233,531	3,221,092
Licenses and Permits	372,638	459,802	482,653	471,279
Intergovernmental	1,451,972	1,305,910	275,619	163,410
Charges for Services	73,253	59,346	49,747	40,464
Fees by Agreement	403,583	379,232	660,796	652,044
Fines and Forfeitures	147,158	120,507	74,361	844,287
Investment Income	(2,121)	6,034	14,298	13,018
Miscellaneous	51,790	39,355	29,815	20,233
Total Revenues	4,692,381	4,503,811	4,820,820	5,425,827
Expenditures				
Current				
General Government (Administration)	620,088	604,675	609,448	674,934
Public Safety (Police)	2,037,855	1,960,561	1,869,168	1,863,219
Public Works	700,175	515,661	570,036	509,153
Building and Public Grounds	549,108	550,995	793,050	568,127
Culture and Recreation	556,380	356,397	288,737	272,696
Solid Waste			286,300	276,741
Capital Outlay	85,922	63,830	100,739	34,015
Debt Service				
Principal Retirement	276,782	275,239	274,553	258,555
Interest and Other Charges	37,792	43,988	51,732	54,684
Total Expenditures	4,864,102	4,371,346	4,843,763	4,512,124
Excess (Deficiency) of Revenues over Expenditures	(171,721)	132,465	(22,943)	913,703
Other Financing Sources (Uses)				
Transfers In	133,220	118,220	138,220	171,182
Proceeds from Sale of Capital Assets	7,966	1,406	3,971	
Proceeds from Sale of Easements			110,000	
Installment Contracts Issued				
Premium/Discount on Installment Contracts				
Capital Lease Issued				37,300
Payment to Escrow Agent				
Transfers Out	(94,110)	(114,110)	(134,110)	(171,182)
Total Other Financing Sources (Uses)	47,076	5,516	118,081	37,300
Net Change in Fund Balance	\$ (124,645)	137,981	95,138	951,003
Debt Service as a Percentage of Noncapital Expenditures	6.63%	7.62%	6.80%	6.99%

Data Source

Audited Financial Statements

2010	2009	2008	2007	2006	2005
3,071,354	3,113,292	3,144,638	2,947,124	2,907,333	2,563,659
467,581	482,959	653,044	505,647	415,187	389,771
147,732	217,936	159,700	210,353	400,799	167,812
50,405	79,528	98,185	141,641	148,983	159,928
619,316	609,133	620,443	596,859	541,766	442,099
154,210	110,902	187,507	111,170	181,181	231,214
5,403	30,646	65,619	90,893	48,721	29,450
35,034	47,071	91,261	59,050	68,798	73,197
4,551,035	4,691,467	5,020,397	4,662,737	4,712,768	4,057,130
736,570	712,090	808,306	776,445	752,113	723,405
1,789,273	1,873,619	1,871,600	1,605,648	1,630,788	1,463,156
533,843	553,425	524,083	403,892	409,751	346,111
593,998	779,371	661,585	637,357	719,372	512,704
301,616	309,125	304,706	290,774	325,699	255,021
263,727	252,592	245,040	235,692	224,678	206,672
23,157	120,288	239,689	911,786	349,064	109,859
282,279	282,256	293,506	271,192	252,000	36,000
97,141	106,693	123,135	115,774	107,006	107,602
4,621,604	4,989,459	5,071,650	5,248,560	4,770,471	3,760,530
(70,569)	(297,992)	(51,253)	(585,823)	(57,703)	296,600
266,116	132,072	122,358	60,200	89,973	250,000
1,259	42,862	3,239	16,576	17,281	
1,085,000	31,316		653,599	109,429	
12,207					
(1,032,991)					
(266,116)	(132,072)	(122,358)	(60,200)	(89,973)	(250,000)
65,475	74,178	3,239	670,175	126,710	-
(5,094)	(223,814)	(48,014)	84,352	69,007	296,600
8.25%	8.02%	8.40%	8.54%	8.12%	3.93%

REVENUE CAPACITY

VILLAGE OF PALOS PARK, ILLINOIS

Assessed Value and Actual Value of Taxable Property

Last Ten Levy Years

(See Following Page)

VILLAGE OF PALOS PARK, ILLINOIS

Assessed Value and Actual Value of Taxable Property

Last Ten Levy Years

Levy Year	Residential Property	Farm Valuation	Commercial Property	Industrial Property	Railroad Valuation	Total Taxable Assessed Value
2013	\$ 180,695,631	33,360	20,991,357	9,325,973	91,845	211,138,166
2012	191,763,106	35,403	22,277,062	9,897,182	97,471	224,070,224
2011	206,366,428	38,099	23,974,842	10,650,690	104,894	241,134,953
2010	258,132,898	47,654	29,988,778	13,322,387	131,297	301,623,014
2009	253,140,363	46,732	29,408,767	13,064,719	128,758	295,789,339
2008	234,150,430	43,392	27,306,755	12,130,909	119,555	273,751,041
2007	199,888,492	36,902	23,222,193	10,316,359	101,672	233,565,618
2006	187,992,725	34,707	21,840,193	9,702,412	95,620	219,665,657
2005	183,079,351	33,778	21,287,113	9,448,761	75,355	213,924,358
2004	149,897,501	44,353	18,722,810	7,528,804	67,750	176,261,218

Notes:

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

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

Data Source

Office of the County Clerk

Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
0.6000	633,420,832	33.333
0.5550	672,217,394	33.333
0.4980	723,404,862	33.333
0.3910	904,869,042	33.333
0.3820	887,368,017	33.333
0.4020	821,253,123	33.333
0.4350	700,696,854	33.333
0.4454	658,996,971	33.333
0.4325	641,773,074	33.333
0.4913	528,783,654	33.333

VILLAGE OF PALOS PARK, ILLINOIS

Direct and Overlapping Property Tax Rates

Last Ten Levy Years

Levy Year	Village Direct Rates				Total Direct Tax Rate
	General	Police Protection	Police Pension	IMRF	
2013	0.471	0.072		0.057	0.600
2012	0.441	0.064		0.050	0.555
2011	0.402	0.054		0.043	0.498
2010	0.318	0.041		0.032	0.391
2009	0.314	0.038		0.030	0.382
2008	0.278	0.040	0.052	0.032	0.402
2007	0.297	0.045	0.058	0.035	0.435
2006	0.306	0.045	0.059	0.035	0.445
2005	0.298	0.044	0.057	0.034	0.433
2004	0.337	0.050	0.065	0.039	0.491

N/A - Not Available

Notes:

The Village's basic property tax rate may be increased only by a majority vote of the Village's residents. Rates for debt service are set based on each year's requirements.

⁽¹⁾ 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; 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.

⁽²⁾ Only some Village residents are within the S. Palos Sanitary District.

Data Source

Office of the County Clerk

Overlapping Debt ⁽¹⁾

School Districts	Library	County	Fire Protection District	Township	S. Palos Sanitary District ⁽²⁾	MWRD
6.005	N/A	0.676	1.047	0.118	0.361	0.417
5.527	N/A	0.608	1.047	0.108	0.392	0.370
9.005	0.161	0.557	1.437	0.899	0.331	0.320
7.501	0.126	0.484	1.193	0.742	0.253	0.274
7.230	0.123	0.473	1.132	0.711	0.258	0.261
4.100	0.128	0.475	0.511	0.075	0.276	0.252
4.486	0.138	0.511	0.545	0.079	0.177	0.263
4.630	0.142	0.569	0.598	0.079	0.232	2.840
3.493	0.138	0.622	0.586	0.075	0.233	0.315
5.140	0.160	0.666	0.667	0.085	0.268	0.347

VILLAGE OF PALOS PARK, ILLINOIS

Principal Property Taxpayers

Current Fiscal Year and Ten Years Ago

Taxpayer	Type of Business	2014		Percentage of Total Equalized Assessed Valuation
		Equalized Assessed Valuation*	Rank	
IRC (formerly CNC)	Supermarket	\$ 6,588,695	1	3.12 %
Sunrise Senior Living	Commercial Property with Special Improvements	5,528,535	2	2.62
James Marth	Shopping Center (Mill Creek Center)	2,184,703	3	1.03
RDK Ventures	Gasoline Station	1,877,784	4	0.89
Inter Cont'l 131st Palos Park	Shopping Center	1,258,061	5	0.60
Walgreens	One-Story Store	1,141,684	6	0.54
Alfredo Veltri	Shopping Center (Palos Park Plaza)	750,704	7	0.36
Taxpayer	Residence	744,933	8	0.35
Taxpayer	Residence	671,134	9	0.32
Taxpayer	Residence	651,887	10	0.31
Commonwealth Edison	Utility			
Gas City Ltd.	Gasoline Station			
Park Management and Investment	Shopping Center			
Shell Oil, Co. East Tex	Gasoline Station			
Ameritech Illinois	Utility			
Hackneys on Lake, Inc.	Restaurant			
		<u>\$ 21,398,120</u>		<u>10.14 %</u>

*Most recent data available.

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.

Data Source

Office of County Clerk and Assessor's Office

2004		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
7,239,082	1	4.11 %
4,496,446	2	2.55
2,395,975	3	1.36
1,487,719	4	0.84
1,263,910	5	0.72
1,193,231	6	0.68
1,139,532	7	0.65
984,868	8	0.56
934,868	9	0.53
756,509	10	0.43
<u>21,892,140</u>		<u>12.43 %</u>

VILLAGE OF PALOS PARK, ILLINOIS

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended April 30	Total Tax Levy for Fiscal Year	Subsequent Adjustments *	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 1,266,829		650,932	51.38 %	N/A	650,932	51.38 %
2013	1,243,590		626,374	50.37	612,839	1,239,213	99.65
2012	1,200,852		614,989	51.21	584,041	1,199,030	99.85
2011	1,221,886		560,614	45.88	633,241	1,193,855	97.71
2010	1,129,915		510,898	45.22	618,452	1,129,350	99.95
2009	1,098,709		567,862	51.68	514,807	1,082,669	98.54
2008	1,015,072		483,740	47.66	530,443	1,014,183	99.91
2007	979,709	34,746	403,365	41.17	611,090	1,014,455	100.00
2006	925,966		441,027	47.63	479,332	920,359	99.39
2005	866,872	1,627	358,504	41.36	509,995	868,499	100.00

Notes:

Total collections to date include collections within the current fiscal year and collections in subsequent years. The percentage of levy represents 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.

* Include penalty and interest received subsequent to final levy

Data Source

Office of the Cook County Treasurer's Office
www.tae.cookcountytreasurer.com

DEBT CAPACITY

VILLAGE OF PALOS PARK, ILLINOIS

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

(See Following Page)

VILLAGE OF PALOS PARK, ILLINOIS

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government
	General Obligation Bonds	Installment Notes Payable	General Obligation Bonds	Installment Notes Payable	Public Benefit Debt	
2014	\$	734,274	1,925,000	11,830	170,071	2,841,175
2013		1,008,300	2,055,000	23,272	207,781	3,294,353
2012		1,283,890	2,175,000		245,491	3,704,381
2011		1,558,443	2,295,000		283,201	4,136,644
2010		1,779,698	660,000		320,912	2,760,610
2009		2,006,977	715,000		358,622	3,080,599
2008		2,257,917	770,000		396,332	3,424,249
2007		2,551,423	825,000	12,497	434,042	3,822,962
2006		2,726,227	875,000	24,995	624,012	4,250,234
2005		3,007,295	450,000		685,574	4,142,869
2004	450,000	3,150,296			748,872	4,349,168

Notes:

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

*See the Schedule of Demographic and Economic Statistics on page 116 for personal income and population data.

Percentage of Personal Income*	Debt per Capita*
0.66%	583
0.77%	675
0.90%	764
1.12%	853
0.75%	589
0.84%	657
1.34%	730
1.34%	815
1.23%	906
1.17%	884
1.06%	928

VILLAGE OF PALOS PARK, ILLINOIS

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property*	Percentage of Personal Income	Per Capita
2014	\$ 1,925,000	0.30 %	0.45%	397
2013	2,055,000	0.30	0.48%	424
2012	2,175,000	0.30	0.53%	449
2011	2,295,000	0.25	0.62%	473
2010	660,000	0.08	0.18%	141
2009	715,000	0.10	0.19%	152
2008	770,000	0.12	0.21%	164
2007	825,000	0.13	0.22%	176
2006	875,000	0.17	0.24%	187
2005	450,000	0.09	0.12%	96

Notes:

Details of the Village's outstanding debt can be found in the Notes to the Financial Statements.

*See the Schedule of Assessed Value and Actual Value of Taxable Property on pages 102 and 103 for property value data.

VILLAGE OF PALOS PARK, ILLINOIS

Direct and Overlapping General Obligation Bonded Debt

April 30, 2014

Governmental Unit	2013 Equalized Assessed Valuation ⁽¹⁾	Outstanding Bonds	Applicable to Village	
			Amount	Percent
Direct Debt				
Village of Palos Park	\$ 211,138,166	(1)	734,274	100.000 %
Overlapping Debt				
Cook County	125,914,838,942	3,572,060,000	6,000,890	0.1680
Cook County Forest Preserve District	125,914,838,942	124,455,000 ⁽¹⁾	209,078	0.1680
Metropolitan Water Reclamation District	123,419,543,828	2,458,515,565 ⁽²⁾	4,213,379	0.1714
South Palos Twp. Sanitary District	53,174,365	690,000	39,546	5.7313
School Districts				
Community Consolidated School District #118	748,377,967	5,875,000	1,657,171	28.2072
High School District #230	4,418,997,672	48,190,000	2,301,711	4.7763
Community College #524	9,303,736,891	74,400,000 ⁽¹⁾	1,691,879	2.2740
			<u>16,113,654</u>	
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 16,847,928</u>	

Notes:

⁽¹⁾ Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

⁽²⁾ Includes IEPA Revolving Loan Fund Bonds.

Data Source

Office of the Cook County Clerk
Office of the Comptroller of the State of Illinois
Office of the Treasurer of the Metropolitan Water Reclamation District

VILLAGE OF PALOS PARK, ILLINOIS

Legal Debt Margin Information

Last Ten Fiscal Years

Fiscal Year	2014	2013	2012	2011
Legal Debt Limit	\$ 18,210,667	19,326,057	26,014,985	25,511,830
Total Net Debt Applicable to Limit	1,925,000	2,055,000	2,175,000	2,295,000
Legal Debt Margin	\$ 16,285,667	17,271,057	23,839,985	23,216,830
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11%	11%	8%	9%
Legal Debt Margin Calculation for Fiscal 2014				
Assessed Value	\$ 211,138,166			
Legal Debt Margin	8.625%			
Debt Limit	18,210,667			
Debt Applicable to Limit General Obligation Bonds	1,925,000			
Legal Debt Margin	\$ 16,285,667			

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	2009	2008	2007	2006	2005
23,611,027	22,796,927	20,145,035	18,946,163	18,450,976	15,202,530
660,000	715,000	770,000	825,000	875,000	450,000
22,951,027	22,081,927	19,375,035	18,121,163	17,575,976	14,752,530
3%	3%	4%	4%	5%	3%

VILLAGE OF PALOS PARK, ILLINOIS

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	Water/Sewer Revenue Bonds					Coverage
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2014	\$ 2,462,290	1,183,897	1,278,393	175,309	88,483	4.85
2013	2,332,944	1,846,347	486,597	161,322	95,023	1.90
2012	2,162,336	1,536,216	626,120	164,720	100,274	2.36
2011	2,176,330	1,456,035	720,295	156,116	101,850	2.79
2010	2,005,501	1,476,747	528,754	92,710	43,565	3.88
2009	1,460,236	1,434,908	25,328	92,710	43,771	0.19
2008	1,316,694	1,146,424	170,270	101,433	52,320	1.11
2007	1,619,004	897,765	721,239	103,833	53,221	4.59
2006	1,473,251	1,247,111	226,140	62,710	39,811	2.21
2005	1,501,420	1,190,650	310,770	37,710	25,588	4.91

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 not 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.

DEMOGRAPHIC AND ECONOMIC INFORMATION

VILLAGE OF PALOS PARK, ILLINOIS

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2014	4,847	\$ 429,579,916	88,628	7.70%
2013	4,847	429,579,916	88,628	9.40%
2012	4,847	412,964,400	85,200	9.00%
2011	4,847	367,852,050	78,450	8.70%
2010	4,689	367,852,050	78,450	11.20%
2009	4,689	367,852,050	78,450	9.60%
2008	4,689	367,852,050	78,450	6.20%
2007	4,689	367,852,050	78,450	4.30%
2006	4,689	367,852,050	78,450	4.40%
2005	4,689	367,852,050	78,450	6.00%

Data Source

Population data is from the U.S. Bureau of the Census.

The unemployment rate for the Village is unavailable. The Chicago/Joliet/Naperville statistics are used in their place and come from the Illinois Department of Employment Security.

VILLAGE OF PALOS PARK, ILLINOIS

Principal Employers

Fiscal Years 2014 and 1999

Employer	2014		1999	
	Rank	Percent of Total Village Population	Rank	Percent of Total Village Population
Holy 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%		
N/A			7	
N/A			8	
N/A			9	
N/A			10	

N/A - Not Available

Note:

Telephone canvass of employers performed in 2014.

VILLAGE OF PALOS PARK, ILLINOIS

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL GOVERNMENT										
Administration	4.3	4.3	4.3	4.3	4.3	5.3	5.3	5.3	5.0	5.5
Building and Zoning	3.5	3.5	3.5	3.5	3.5	3.5	4.0	3.6	3.0	3.0
Finance	1.5	1.5	2.0	2.0	2.0	3.3	3.0	3.0	3.1	3.1
Police										
Officers FT	9.0	9.0	9.0	9.0	10.0	10.0	10.0	10.0	11.0	10.0
Officers PT	24.0	24.0	23.0	22.0	20.0	16.0	15.0	15.0	14.0	12.0
Civilians	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Works										
Water Department	4.6	4.6	4.6	4.6	4.6	4.6	4.3	3.9	2.3	2.3
Sewer Department	1.4	1.4	1.4	1.4	1.4	1.4	1.6	1.3	1.3	1.3
Street Maintenance	4.5	4.5	3.5	4.5	4.5	5.0	4.4	3.1	3.1	2.3
Recreation	3.0	3.0	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.0

Data Source

Village Finance Department Payroll

VILLAGE OF PALOS PARK, ILLINOIS

Operating Indicators

Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011	2010
PUBLIC SAFETY					
Police ⁽¹⁾					
Physical Arrests	202	183	186	217	170
Parking Violations	997	982	987	1,307	1,209
Traffic Violations	956	953	885	1,383	1,213
PUBLIC WORKS					
Streets Resurfacing (Miles)	0.90	0.80	0.66		0.25
Pothole Repairs	722	80-140	50-75	75-150	50-75
WATER					
New Connections	8	2	4	6	8
Water Main Breaks	44	4	7	2	2
Average Daily Consumption ⁽²⁾	437,000	501,000	474,000	404,000	416,134
Peak Demand	702,000	823,000	969,000	906,000	850,000

Notes:

⁽¹⁾ Police data is available only on the calendar year; for instance, FY08 covers January 2007 - December 2007.

⁽²⁾ Average gallons per day.

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

Data Source

Appropriate Village Departmental Directors

2009	2008	2007	2006	2005
242	285	251	333	361
1,573	1,757	4	994	808
1,570	1,711	3	1,674	1,611
1.01	1.01	1.01	1.60	1.00
75-100	75-120	50-75	50-75	50-75
7	27	3	42	25
15	12	4	10	14
489,000	427,827	389,884	472,000	538,000
837,000	987,000	1,015,000	980,000	963,000

VILLAGE OF PALOS PARK, ILLINOIS

Capital Asset Statistics

Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011	2010
PUBLIC SAFETY					
Police					
Stations	1	1	1	1	1
Patrol Units	8	8	8	8	8
PUBLIC WORKS					
Residential Streets (Miles)	14.70	14.70	14.70	14.70	14.70
WATER					
Water Mains (Miles)	52.24	52.24	52.24	52.24	52.24
Fire Hydrants	731	731	730	730	730
Storage Capacity (Gallons)	1,300,000	1,300,000	1,300,000	1,300,000	800,000
WASTEWATER					
Sanitary Sewers (Miles)	39.37	39.37	39.37	39.37	39.37
Storm Sewers (Miles)	7.67	7.67	7.67	7.67	7.67

Note:

All Village arterial streets, streetlights and traffic signals are not owned by the Village.

Data Source

Appropriate Village Departmental Directors

2009	2008	2007	2006	2005
1 7	1 8	4 3	1 7	1 7
14.70	14.70	14.70	14.70	14.70
51.08 730 800,000	50.58 726 800,000	3.90 1 3 3.5	50.58 722 800,000	50.58 716 800,000
39.37 7.67	39.27 7.67	39.27 7.67	39.27 7.48	38.70 7.29