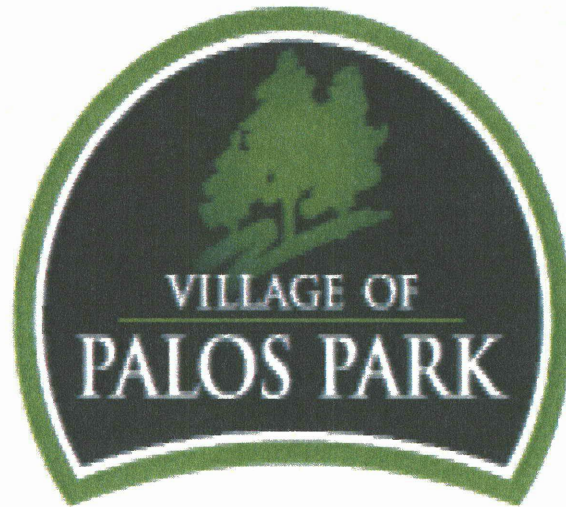


**2013**

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***



***Fiscal Year Ending  
April 30, 2013***

***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, 2013**

**Prepared by the Finance Department**

# VILLAGE OF PALOS PARK, ILLINOIS

## Table of Contents

---

	PAGE
INTRODUCTORY SECTION	
Officers and Officials	i
Letter of Transmittal	ii-xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
Organization Chart	xvii
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-16
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18-19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Position – Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position	28
Notes to the Financial Statements	29-56

# VILLAGE OF PALOS PARK, ILLINOIS

## Table of Contents

---

---

	PAGE
FINANCIAL SECTION	
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	57
Notes to Required Supplementary Information	58
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	59
Police Pension Fund	59
Sheriff's Law Enforcement Personnel	59
Employer Contributions	
Illinois Municipal Retirement Fund	60
Police Pension Fund	60
Sheriff's Law Enforcement Personnel	60
 <u>COMBINING AND INDIVIDUAL FUND</u> <u>FINANCIAL STATEMENTS AND SCHEDULES</u>	
<u>GOVERNMENTAL FUND TYPES</u>	
GENERAL FUND	
Balance Sheet	61
Schedule of Expenditures – Budget and Actual	62-64
NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
NONMAJOR SPECIAL REVENUE FUNDS	
Combining Balance Sheet	67-68
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	69-70

# VILLAGE OF PALOS PARK, ILLINOIS

## Table of Contents

---

	PAGE
FINANCIAL SECTION	
NONMAJOR SPECIAL REVENUE FUNDS (CONT.)	
Motor Fuel Tax Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	71
Police Forfeiture Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	72
Exaction Fee Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	73
Land Acquisition and Recreation Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	74
NONMAJOR CAPITAL PROJECTS FUNDS	
Combining Balance Sheet	75
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	76
Capital Improvements Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	77
½% Sales Tax Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	78

VILLAGE OF PALOS PARK, ILLINOIS

Table of Contents

---

---

	PAGE
FINANCIAL SECTION	
<u>PROPRIETARY FUND TYPE</u>	
ENTERPRISE FUNDS	
MAJOR ENTERPRISE FUNDS	
Water Fund	
Statement of Net Position	79
Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses and Transfers – Budget and Actual	80
Sewer Maintenance Fund	
Statement of Net Position	81
Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses and Transfers – Budget and Actual	82
Refuse and Recycling Fund	
Statement of Net Position	83
Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses and Transfers – Budget and Actual	84
NONMAJOR ENTERPRISE FUND	
Commuter Parking Lot Fund	
Statement of Net Position	85
Schedule of Operating and Nonoperating Revenues, Operating and Nonoperating Expenses and Transfers – Budget and Actual	86

# VILLAGE OF PALOS PARK, ILLINOIS

## Table of Contents

---

	PAGE
FINANCIAL SECTION	
<u>FIDUCIARY FUNDS</u>	
TRUST FUND	
Police Pension Fund	
Schedule of Changes in Fiduciary Net Position – Budget and Actual	87
AGENCY FUNDS	
Schedule of Changes in Assets and Liabilities	88-89
COMPONENT UNIT	
Palos Park Public Library	
Schedule of Net Position and Governmental Funds Balance Sheet	90
Schedule of Revenues, Expenditures and Changes in Fund Balance/Net Position	91
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund	92
SUPPLEMENTAL INFORMATION	
Long-Term Debt Requirements	
Series 2002 Certificates	93
Series 2004 General Obligation Alternate Revenue Bonds	94
Series 2005 General Obligation Alternate Revenue Bonds	95
Series 2006 Certificates	96
Series 2010 Refunding Certificates	97
2010 General Obligation Alternate Revenue Bonds	98

VILLAGE OF PALOS PARK, ILLINOIS

Table of Contents

---

	PAGE
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	99-100
Changes in Net Position	101-104
Fund Balances of Governmental Funds	105-106
Changes in Fund Balances of Governmental Funds	107-108
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property	109-110
Direct and Overlapping Property Tax Rates	111-112
Principal Property Taxpayers	113-114
Property Tax Levies and Collections	115
Debt Capacity	
Ratios of Outstanding Debt by Type	116-117
Ratios of General Bonded Debt Outstanding	118
Direct and Overlapping General Obligation Bonded Debt	119
Legal Debt Margin Information	120-121
Pledged Revenue Coverage	122
Demographic and Economic Information	
Demographic and Economic Statistics	123
Principal Employers	124
Operating Information	
Full-Time Equivalent Employees	125
Operating Indicators	126-127
Capital Asset Statistics	128-129

## **INTRODUCTORY SECTION**



# **VILLAGE OF PALOS PARK**

## **PRINCIPAL OFFICIALS**

**MAY 1, 2013**

**JOHN F. MAHONEY**

*Mayor*

**MARIE ARRIGONI**

*Village Clerk*

## **BOARD OF COMMISSIONERS**

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

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

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

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

## **ADMINISTRATION**

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

## **DEPARTMENT DIRECTORS**

**LeeAnn Fisk** - *Recreation Director*

**Steve Manning** - *Community Development Director*

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

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

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



VILLAGE OF  
**PALOS PARK**

JOHN F. MAHONEY  
Mayor

October 29, 2013

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, 2013 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, 2013 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, 2013. 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.

Discretely presented component units are reported in a separate column in the entity-wide financial statements to emphasize that they are legally detached from the primary government, and to differentiate their financial position and results of operations from those of the primary government. The Palos Park Public Library is reported as a discretely presented component unit. 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 November 9, 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. One of the most important factors in maintaining Palos Park's semi-rural character is an ordinance requiring a full acre parcel in order to build a home. This one-acre ordinance originated as a way to ensure the safety of well and septic systems, and has served as a mechanism to preserve the spacing between houses for which the Village is famous. Thus, the 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 131<sup>st</sup> Street and LaGrange Road supports many individual businesses, while the northwest corner is the home of the Shoppes of Mill Creek, Mill Creek Center, and a gas station. Several retail stores and office buildings are in the area around Southwest Highway and Route 83. Finally, establishments are located along 123<sup>rd</sup> Street, primarily between 80<sup>th</sup> Avenue and 86<sup>th</sup> Avenue. There is limited industrial property in the Village.

The largest employer in the community is the Holy Family Villa which is a skilled care facility. Immediately adjacent to the Village at 123<sup>rd</sup> Street and 80<sup>th</sup> Avenue is Palos Community Hospital (in Palos Heights) and serves as another major employer in the area. Also immediately adjacent to the Village at 131<sup>st</sup> Street and LaGrange Road (in Orland Park) lays the 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, the Commissioners, and Village staff are intent on maintaining the Village's strong financial condition, while continuing to provide the highest level of public services to its residents. The Village's financial position, as reflected in the financial statements presented in this report, is perhaps best understood when its considered from the broader perspective of the environment within which the Village operations.

The economy locally; as well as, at the county, state, and national level is still in weak recovery with growth projected to be only 2% for the year. In fiscal year 2013, 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 decreased overall by 6.55% in FY13 to \$4,109,595. In addition, fees by agreement decreased by 42.61%, sales tax decreased by 1.05%, and utility taxes decreased by 5.23%; however, revenue from property taxes collections increased by 0.54%, and state income tax increased by 11.04% as compared to the prior fiscal year.

General Fund operating expenditures decreased in FY13 by \$209,643 to a total of \$4,021,978 as compared to FY12. This 4.95% decrease in expenditures was due to a decreases in Administration, Finance, Building and Public Grounds, Culture and Debt Service in the fiscal year. Reductions in General Government, Public Works, Building and Public Grounds, Capital Outlay, and Interest expenditures helped reducing overall spending which produced a surplus and an increase in reserves in the General Fund in the amount of \$137,981.

The ½% Sales Tax Fund had non-home rule sales tax revenues totaling \$180,461 that allowed for the funding of \$109,250 in Public Building and Grounds improvements. A fund balance of \$339,881 still remains in the fund for contingency and future infrastructure improvements.

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

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

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

As of April 30, 2013, Palos Park held an unreserved, unassigned general fund balance of \$1,452,159 that is equal to 35.38% of FY13 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 and the Strategic 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 2013**

**A. PERSONNEL**

- Recruit and hire a Recreation and Parks Director
- Review staffing in Departments
- Develop a Village-wide employee performance evaluation system
- Continue identifying professional development for staff especially supervisory training
- Look for reorganization and consolidation of duty opportunities within certain departments
- Establish an employee Safety Committee
- Work with employee committee to help keep up morale
- Expand the employee Fitness and Wellness Program

**B. COMMUNICATIONS**

- Work to bid out and replace the non-supported phone and voice mail systems in Village buildings
- Continue working toward a new more user friendly Village website
- Finalize the design of a logo and new letterhead for use by community
- 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

**C. ANNEXATIONS**

- Continue to negotiate and finalize annexations west of Village
- Continue the evaluation and plan utility services to new territory
- Continue to encourage annexation of Com Ed lines to the west
- Discuss annexation of Hidden Acre's - 8400 West and North 131<sup>st</sup> Street (Don Jeanes' Subdivision)
- Complete 131<sup>st</sup> Street Standard Bank annexation

**D. LEGAL**

- Bring resolution to 9850 Wild Cherry Lane demolition suit
- Resolve Smetek Driveway Permit & Drainage Issue

**E. PUBLIC PROPERTY**

- Work with the consultant and other communities to bring about the construction of the Palos Park portion of the Cal-Sag Trail
- Consider development of an RFP and negotiate a vendor lease at Metra Station

- Review the potential to hire mechanical/building engineer to manage Village buildings i.e., Kaptur, Recreation, and Village Garage
- Plan and implement improvements for five acre park at Holy Family
- Continue to implement improvements at Kaptur Center, Recreation Center
- Study potential improvement of the 123<sup>rd</sup> Street and 86<sup>th</sup> Avenue intersection

#### **F. PROCEDURAL / OPERATIONS**

- Improve the retrieval process of Village records
- Begin document management through GIS
- Quantify and analyze operations by department

#### **G. PUBLIC WORKS / INFRASTRUCTURE**

- Plan landscaping 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 and/or Palos Heights
- Continue to promote bike and trail plans in Village of Palos Park
- Negotiate new 25 year Easement Agreement with MWRD Storm Water Outfall into the Cal Sag Channel, from Edelweiss in the Park
- Finalize the exhibit for the land lease with MWRDGC

#### **H. 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 through 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

#### **I. FINANCE**

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

#### **J. 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

#### **K. 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*, a two day celebration scheduled for September 20-21, 2013
- Look for more opportunities to provide additional summer activities on the Village Green

### ***BUILDING DEPARTMENT***

#### ***Goals and Projects FY 2013***

##### **A. 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
- Participate in southwest community coalition guiding regional bikeway planning

##### **B. ANNEXATIONS**

- Assist in negotiating annexation agreements and coordinating public hearings

##### **C. DEVELOPMENT ASSISTANCE**

- Lease site to T-Mobile for new cell telephone tower at Pump Station
- Assist businesses with information on construction, remodeling, upgrades
- Promote the available land and building space to prospective new businesses

##### **D. GRANTS**

- Complete the bikeway signs and programs funded by the Model Communities grant
- Coordinate the Holy Family Park development funded by the IDCEO grant

##### **E. ADVISORY GROUPS**

- Support the Plan Commission, Zoning Board of Appeals, Historic Preservation Commission
- Update the Plan Commission application forms and procedures
- Encourage the creation of a bicycle advocacy group

##### **F. CODE UPDATES**

- Amend code standards for west sector plans and to upgrade the community ISO rating

##### **G. COMPLIANCE**

- Continue functions of construction and property maintenance code compliance, including contractor registration, plan review, permitting, inspection, and enforcement

- Update applications forms, information aides, and educational assistance to owners and builders
- Upgrade staff capabilities through training, seminars, and certifications
- Set up new procedures for local adjudication
- Assist in the process to demolish buildings at 8200 W. 123rd and 9850 W. Wild Cherry

#### **H. 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 2013***

- Receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for FY2013.
- Prepare document for GFOA's Distinguished Budget Presentation Award for Fiscal Year 2014.
- 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 2013***

- **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:** We are well underway in 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 2013***

**FUND 01-24 – 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
- Purchase a new mini excavator that will have more power and be able to dig to depths of 12 feet
- 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 01-27 – PUBLIC GROUNDS / PUBLIC BUILDINGS**

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

**FUND 23 – ½% SALES TAX**

- Complete scheduled drainage projects
- Purchase equipment and tools necessary for street repairs and drainage projects

**FUND 24 -- MOTOR FUEL TAX**

- Complete the necessary paperwork with IDOT to change the MFT fund from calendar year to fiscal year
- 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

**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
- 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
- Upgrade computer hardware and printer used for utility billing
- 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 2013***

#### **Administrative:**

- Evaluate and find cost savings in Recreation Department budget
- Improve customer satisfaction rating on facility evaluations
- Set employee meetings and training schedule
- Recertify Recreation staff in CPR/AED

#### **Programming:**

- Reevaluation of current programs being offered
- Improve registration numbers for programs
- Offer new programs for early childhood, youth, and adult
- Continue improving marketing of programs through regular e-courier distribution through District 118 schools, more press releases with newspapers, email blasts to customers in software, and listings on triblocal.com
- Implement Birthday Party packages to increase rentals

- Create and implement a successful adult sport league
- Promote more sports leagues throughout the year for the youth

### **Maintenance:**

- Continue to improve on condition of facility:
  - *Regular weekly cleaning*
  - *Clean or replace office carpets*
- Continue improving condition of some equipment through updating an inventory list and budgeting for purchase of replacement equipment
- Remodeling of the Council Room
- Repainting of the Multi-Purpose Room
- Remove the glass windows in Multi-Purpose Room:
  - *Install a wall to replace the glass window.*
  - *Convert the space into a class room.*
  - *Paint the inside and outside walls.*
- Paint Gazebo
- Paint Portico

### **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, 2012. This was the 14<sup>th</sup> consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized Comprehensive Annual Financial Report, like the one you are currently reading. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

We would also like to thank and extend our appreciation to the Administration Department and the Village's Department Directors: Public Works Director Michael Sibrava; Community Development Director Steve Manning; Recreation and Parks Director LeeAnn Fisk; and Police Chief Joe Miller. All the Directors have been instrumental in the planning and implementation of this project. In addition, we would also like to thank the Mayor and Commissioners for their continued support in maintaining the highest standard of professionalism in the management of the Village's finances.

We would also like to express our appreciation to the personnel at 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**

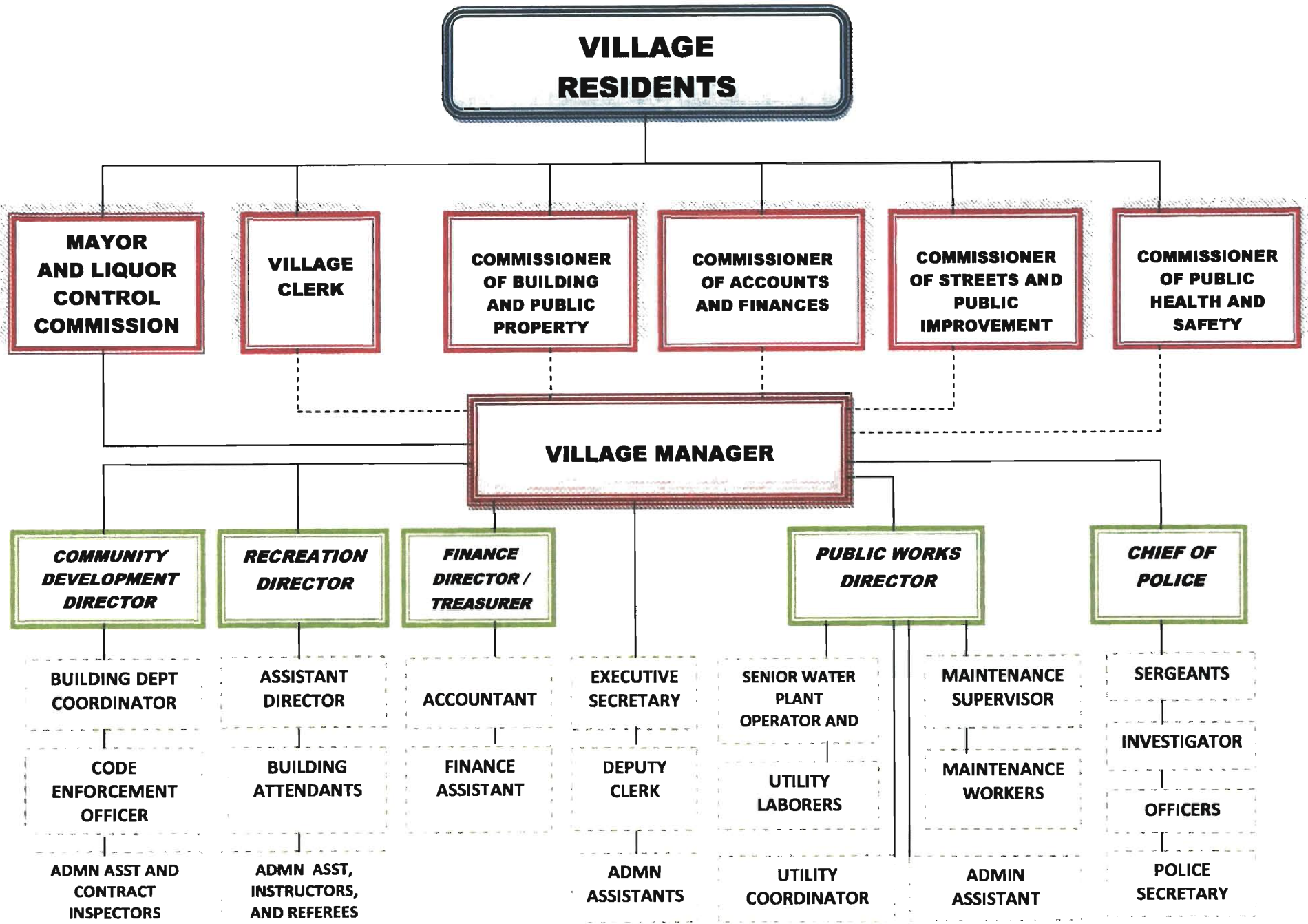
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2012**

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, the discretely presented component unit, 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, 2013, 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, 2013, 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.

Change in Accounting Principle

As described in Note 1.C. to the financial statements, the Village of Palos Park, Illinois adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2013. Our opinion is not modified in respect to that matter.

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 16), budgetary comparison information, and pension related information (pages 58 through 61) 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 29, 2013

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

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

**APRIL 30, 2013**

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, 2013. 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 \$28,526,339, a decrease of \$181,626 during the year.
- **Governmental activity summary** – Net position for governmental activities increased by \$288,178 during the year to \$6,560,967.
- **Business-type activity summary** – Net position for business-type activities decreased by \$469,804 during the year to \$21,965,372.
- **General Fund summary** – The Village's General Fund reported an increase of \$114,913 in fund balance for the year.
- **Budget vs. Actual** – The Village's actual revenues for the General Fund were less than budgeted revenues by \$14,395 while the actual expenditures were less than total budgeted expenditures by \$82,199.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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	<ul style="list-style-type: none"> <li>- Statement of Net Position</li> <li>- Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>- Balance Sheet</li> <li>- Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of Net Position</li> <li>- Statement of Revenues, Expenses, and Changes in Net Position</li> <li>- Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of Fiduciary Net Position</li> <li>- Statement of Changes in Fiduciary Net Position</li> </ul>
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.

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. The Governmental Accounting Standards Board Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either: 1) depreciate these assets over their estimated useful life; or 2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year) by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

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

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

**TABLE 1  
STATEMENT OF NET POSITION FOR FISCAL YEARS 2012 AND 2013  
AS OF APRIL 30, 2013**

	<b>Governmental Activities 2012</b>	<b>Governmental Activities 2013</b>	<b>Business- Type Activities 2012</b>	<b>Business- Type Activities 2013</b>	<b>Total Primary Government 2012</b>	<b>Total Primary Government 2013</b>
<i>Assets:</i>						
<i>Current and Other Assets</i>	\$ 3,905,324	\$ 3,950,426	\$ 2,469,522	\$ 2,722,459	\$ 6,374,846	\$ 6,672,885
<i>Capital Assets</i>	4,868,718	4,841,483	22,563,644	21,719,581	27,432,362	26,561,064
<b>Total Assets</b>	<b>\$ 8,774,042</b>	<b>\$ 8,791,909</b>	<b>\$ 25,033,166</b>	<b>\$ 24,442,040</b>	<b>\$ 33,807,208</b>	<b>\$ 33,233,949</b>
<i>Liabilities:</i>						
<i>Other Liabilities</i>	\$ 318,708	\$ 406,978	\$ 121,499	\$ 156,477	\$ 440,207	\$ 563,455
<i>Long-Term Liabilities</i>	1,468,894	1,218,987	2,476,491	2,320,191	3,945,385	3,539,178
<b>Total Liabilities</b>	<b>\$ 1,787,602</b>	<b>\$ 1,625,965</b>	<b>\$ 2,597,990</b>	<b>\$ 2,476,668</b>	<b>\$ 4,385,592</b>	<b>\$ 4,102,633</b>
<i>Deferred Inflows of Resources:</i>						
<i>Unavailable Revenue</i>	\$ 650,651	\$ 604,977	\$ -	\$ -	\$ 650,651	\$ 604,977
<b>Total Deferred Inflows of Resources</b>	<b>\$ 650,651</b>	<b>\$ 604,977</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 650,651</b>	<b>\$ 604,977</b>
<i>Net Position:</i>						
<i>Net Investment in Capital Assets</i>	\$ 3,585,298	\$ 3,833,183	\$ 20,116,269	\$ 19,433,528	\$ 23,701,567	\$ 23,266,711
<i>Restricted</i>	1,202,700	1,300,144	-	-	1,202,700	1,300,144
<i>Unrestricted</i>	1,484,791	1,427,640	2,318,907	2,531,844	3,803,698	3,959,484
<b>Total Net Position</b>	<b>\$ 6,272,789</b>	<b>\$ 6,560,967</b>	<b>\$ 22,435,176</b>	<b>\$ 21,965,372</b>	<b>\$ 28,707,965</b>	<b>\$ 28,526,339</b>

For more detailed information see the Statement of Net Position.

### **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.

### **Current Year Impacts – Net Position**

The Village's combined net position decreased from \$28,707,965 to \$28,526,339 with a decrease in net position of \$181,626. Net position of the Village's governmental activities increased \$288,178 during the year and ended the year at \$6,560,967; while business-type net position decreased \$469,804 to \$21,965,372. The Village's unrestricted net position for governmental activities, the part of net position that can be used to finance daily operations, decreased \$57,151 over last year to \$1,427,640.

The net position of business-type activities decreased \$469,804 during the year and ended the year at \$21,965,372. Unrestricted net position, available to finance the continuing operation of its business-type activities, was \$2,531,844. Business-type activities include water, sewer, solid waste, and commuter parking lot services. The annual operating cost of these services for FY13 was \$3,252,422.

Major capital activity during the year included street resurfacing program using Motor Fuel Tax Fund proceeds, the purchase of a mini excavator, and seven drainage improvement projects paid from the ½ % Sales Tax Fund. Two new squad cars were purchased from the Police Asset Forfeiture Fund.

The Village continued to make payments on the debt service for the Sluis Residential Property, Kaptur Administrative Center, one installment loan for computer equipment, and a brush chipper; as well as, two General Obligation Alternate Revenue Water and Sewer Bonds.

## Statement of Changes in Net Position

The following table reflects the condensed Statement of Changes in Net Position.

**TABLE 2**  
**CHANGES IN NET POSITION FOR FISCAL YEARS 2012 AND 2013**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2013**

	<b>Governmental Activities 2012</b>	<b>Governmental Activities 2013</b>	<b>Business- Type Activities 2012</b>	<b>Business- Type Activities 2013</b>	<b>Total Primary Government 2012</b>	<b>Total Primary Government 2013</b>
<b>REVENUES</b>						
<i>Program Revenues:</i>						
<i>Charges for</i>						
<i>Services</i>	\$ 1,268,896	\$ 1,020,005	\$ 2,242,321	\$ 2,769,790	\$ 3,511,217	\$ 3,789,795
<i>Operating Grants</i>	274,280	202,430	-	-	274,280	202,430
<i>General Revenues:</i>						
<i>Property Taxes</i>	1,206,448	1,212,953	-	-	1,206,448	1,212,953
<i>Sales Taxes</i>	855,009	846,009	-	-	855,009	846,009
<i>Utility Taxes</i>	535,051	507,016	-	-	535,051	507,016
<i>Income Taxes</i>	393,386	436,814	-	-	393,386	436,814
<i>Other</i>	243,637	233,195	-	-	243,637	233,195
<i>Investment Income</i>	14,298	6,034	6,587	2,574	20,885	8,608
<i>Gain on Sale of</i>						
<i>Capital Assets</i>	3,971	1,406	-	-	3,971	1,406
<i>Other</i>	139,815	39,355	-	14,364	139,815	53,719
<b>Total Revenues</b>	<b>4,934,791</b>	<b>4,505,217</b>	<b>2,248,908</b>	<b>2,786,728</b>	<b>7,183,699</b>	<b>7,291,945</b>
<b>EXPENSES</b>						
<i>General Government</i>	711,048	702,364	-	-	711,048	702,364
<i>Public Safety</i>	1,930,667	2,076,275	-	-	1,930,667	2,076,275
<i>Public Works</i>	637,683	480,874	-	-	637,683	480,874
<i>Building and Public</i>						
<i>Grounds</i>	782,039	552,790	-	-	782,039	552,790
<i>Culture and</i>						
<i>Recreation</i>	296,926	364,858	-	-	296,926	364,858
<i>Water</i>	-	-	1,731,483	2,022,774	1,731,483	2,022,774
<i>Sewer</i>	-	-	821,286	846,116	821,286	846,116
<i>Solid Waste</i>	286,300	-	-	296,803	286,300	296,803
<i>Commuter Lot</i>	-	-	70,087	86,729	70,087	86,729
<i>Interest</i>	49,317	43,988	-	-	49,317	43,988
<b>Total Expenses</b>	<b>4,693,980</b>	<b>4,221,149</b>	<b>2,622,856</b>	<b>3,252,422</b>	<b>7,316,836</b>	<b>7,473,571</b>
<b>Change in Net Position</b>	<b>240,811</b>	<b>284,068</b>	<b>(373,948)</b>	<b>(465,694)</b>	<b>(133,137)</b>	<b>(181,626)</b>
<b>Transfers</b>	<b>4,110</b>	<b>4,110</b>	<b>(4,110)</b>	<b>(4,110)</b>	<b>-</b>	<b>-</b>
<b>Beginning Net Position</b>	<b>6,027,868</b>	<b>6,272,789</b>	<b>22,813,234</b>	<b>22,435,176</b>	<b>28,841,102</b>	<b>28,707,965</b>
<b>Ending Net Position</b>	<b>\$ 6,272,789</b>	<b>\$ 6,560,967</b>	<b>\$ 22,435,176</b>	<b>\$ 21,965,372</b>	<b>\$ 28,707,965</b>	<b>\$ 28,526,339</b>

## **Normal Impacts -- Changes in Net Position**

Reflected below are nine common (basic) impacts on revenues and expenses.

### **Revenues**

- **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.

### **Expenses**

- **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 1.7%) at the end of FY13 compared to the end of FY12’s CPI-U of 3.0% - the decrease was attributable to a continued weak economy), but the CPI measures “average” inflation. Almost everyone will have either a higher or a lower inflation rate based upon his or her exact goods or services purchased. Sometimes these consumer specific inflation rates can be significantly different from the CPI. To get a better idea of how the specific inflation faced by local governments compares with the CPI, the Illinois Municipal League began constructing its own Illinois Municipality Price Index (MPI) in 1968. This MPI takes into account that municipalities, including the Village of Palos Park, are heavy consumers of services (such as engineers, lawyers, accountants, governmental wages, and health insurance) and energy dependent commodities (such as patrol vehicle fuel, asphalt, and

electricity). For most of the past 20 years, service costs have been rising more rapidly than most of the commodities found in the CPI, but recently a certain commodity, fuel, has risen rapidly. Both of these trends are not in municipalities' favor, and have forced municipalities, including the Village of Palos Park, to make difficult choices in the past several years.

- **Unfunded Mandates and Imposed Fees** – Over the years there have been many unfunded mandates and fee impositions that have hit municipalities without corresponding revenue increases. Some are from the federal government, such as mandated blood-borne pathogens kits and training. Some are from the State, such as: mandated video recording of confessions; racial profiling collection and capture of data; and 2003's imposition of NPDES fees. Some are from the County; such as, prisoner property processing containers. Finally, some are from other sources; such as, GASB's recommended new statistical section format at the conclusion of this document.

## **Current Year Impacts -- Changes in Net Position**

### **Governmental Activities**

**Revenue:** Overall total revenues in FY13 decreased by a net amount of \$429,574. Revenues decreased in the following categories: Charges for Services, Operating Grants, Sales Taxes, Utility Taxes, Other Taxes, Investment Income, and Other during the fiscal year. Revenues from governmental activities totaled \$4,505,217 (\$1,020,005 for Charges for Services; \$1,212,953 for Property Taxes; and \$2,272,259 for Other Revenues). Property taxes were one of the Village's largest sources of revenue at \$1,212,953; that is an increase of 0.54% over FY12. Sales tax revenue decreased by 1.05% to \$846,009 or \$9,000 less than FY12. Utility taxes in FY13 decreased to \$507,016, 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 11.04% to an annual total of \$436,814 while per capita increased to \$90.12 from \$81.44 in FY12. 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:** Expenses for governmental activities totaled \$4,221,149 representing a 10.07% decrease from the previous fiscal year. Some of the more notable increases in spending are as follows: Wages increased by 2.15% to \$2,000,186, while Benefits decreased 0.78% to \$680,428; Legal Fees decreased 22.38% to \$101,959; Other Contractual Services decreased 35.17% to \$568,040, Commodities increased 25.05% to \$316,073; and Insurance decreased 0.62% to \$103,966 in this fiscal year. Modest increases in departmental expenses in Public Affairs, Public Safety, Public Grounds, Festivals, and Recreation; while Administration, Finance, Building, Public Works, and Debt Service noted decreases in departmental expenditures during the fiscal year.

### **Business-Type Activities**

**Revenue:** Revenue from business-type activities totaled \$2,786,728 (\$2,769,790 Charges for Services, \$2,574 from Investment Income, and \$14,364 Other), representing an increase of \$537,820 over the previous fiscal year. Operating Revenues in the Water Fund increased \$170,511 to \$1,801,251; while in the Sewer Fund the Operating Revenues increased \$32,230 to \$517,625 in FY13. The Refuse and Recycling Fund is new for FY13 and ended the fiscal year with total revenues of \$322,194. The Commuter Lot Fund Operating Revenues increased \$676 to \$87,093 in FY13. Fiscal Year 2013 saw the water and sewer rate adjustment for both water and sewer funds in the summer of 2012; however, usage is dependent on the weather, a warmer summer season increases water consumption.

**Expenses:** Expenses for business-type activities totaled \$3,252,422, a \$629,566 increase over the previous fiscal year. In the fiscal year, water purchase expenses increased by \$159,527 or 42.55%. In addition, water services increased by 25.87% to \$420,150 because of increased fees for the purchase of water. The Commuter Lot Fund saw a full year of operation as the expenditures for utilities have stabilized. The Commuter Lot Fund operating expenses increased \$16,642 or 23.74% 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 increased \$25,877 or 3.20% for capital outlay that included the purchase of a generator and pumps for lift stations within the Village. The Refuse and Recycling Fund is new for FY13 and ended the fiscal year with total expenses of \$296,803.

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

For the fiscal year ended April 30, 2013, the Governmental Funds reflect a combined fund balance of \$2,942,639, an increase of \$137,981, or 4.92%, over the prior fiscal year. Total revenues for the General Fund were less than the prior fiscal year by \$287,945, or 6.55%, to \$4,109,595. Revenue decreases were seen in Licenses, Intergovernmental, Fees by Agreement, and Investment Income. Operating Expenses decreased in FY13 to \$4,021,978 or \$209,643 less than the prior fiscal year. General Government, Building, and Public Grounds noted decreased expenses; while Public Works, Recreation, and Public Safety noted increased departmental expenses for the fiscal year.

The General Fund ending fund balance at April 30, 2013 was \$1,514,866, which is an increase of \$114,913. A healthy General Fund balance ensures that the Village has sufficient reserves to cover any future revenue shortfalls or emergency spending; such as the major flooding that occurred in 1996, when the Village utilized available fund balance to quickly replace several bridges that washed out. 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. At the close of the fiscal year, the unreserved, unassigned fund balance was equal to 35.38% of the budgeted expenditures for the fiscal year. 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 an eye on.

**TABLE 3  
GENERAL FUND BUDGETARY HIGHLIGHTS**

<i>General Fund</i>	<i>FY13 Budget</i>	<i>FY13 Actual</i>	<i>FY12 Actual</i>	<i>FY11 Actual</i>	<i>FY010 Actual</i>
<i>Revenues:</i>					
<i>Taxes</i>	\$ 2,039,832	\$ 1,953,164	\$ 1,985,136	\$ 3,045,245	\$ 2,919,498
<i>Licenses &amp; Permits</i>	463,146	459,802	482,653	471,279	467,581
<i>Intergovernmental</i>	1,092,750	1,153,260	1,134,457	15,846	15,823
<i>Other</i>	528,262	543,369	795,294	789,412	737,543
<b><i>Total</i></b>	<b>4,123,990</b>	<b>4,109,595</b>	<b>4,397,540</b>	<b>4,321,782</b>	<b>4,140,445</b>
<i>Expenditures:</i>					
<i>Current</i>	(3,829,123)	(3,751,297)	(3,958,495)	(3,900,708)	(3,990,964)
<i>Capital Outlay</i>	(5,000)	(537)	(1,021)	(855)	(855)
<i>Debt Service</i>	(270,054)	(270,144)	(272,105)	(267,122)	(272,502)
<b><i>Total</i></b>	<b>(4,104,177)</b>	<b>(4,021,978)</b>	<b>(4,231,621)</b>	<b>(4,168,685)</b>	<b>(4,264,321)</b>
<i>Other Financing Sources (Uses)</i>					
<i>Transfers In</i>	70,000	70,000	90,000	90,000	71,276
<i>Transfers Out</i>	(44,100)	(44,110)	(44,110)	(40,000)	(103,022)
<i>Issuance of Installment Notes</i>	-	-	-	-	64,216
<i>Proceeds from Sale of Assets</i>	5,000	1,406	3,971	-	1,259
<b><i>Total</i></b>	<b>30,900</b>	<b>27,296</b>	<b>49,861</b>	<b>50,000</b>	<b>33,729</b>
<b><i>Net Change in Fund Balance</i></b>	<b>\$ 50,713</b>	<b>\$ 114,913</b>	<b>\$ 215,780</b>	<b>\$ 203,097</b>	<b>\$ (90,147)</b>

Actual General Fund revenues were less than originally budgeted revenues by \$14,395 for the fiscal year. General Fund expenditures were less than originally budgeted by \$82,199. The actual expenditures were less than the actual revenue by \$87,617. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are explained below.

The revenue collections were conservatively budgeted in the fiscal year as a result of the continued slowing economy; however, Intergovernmental Revenue and Other Revenue came in 4.66% higher than originally projected. Tax, Licenses, and Permits came in under budget by 3.60% in FY13. Revenue collections in Fees by Agreement, Charges for Services, and Investment Income came in 6.76% higher than originally budgeted in FY13.

General Fund expenditures were \$82,199 less than budgeted in the fiscal year. Tighter controls on spending and a decrease in departmental expenses as a result of the weak economy were expected; however, the general government, public works, building and public grounds, and capital outlay expenditures were under budget in the fiscal year. Public Safety noted increases for wages and legal fees in the fiscal year 2013.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of Fiscal Year 2013, the Village's Governmental Funds had a total of capital assets, in the amount of \$4,841,483, 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.

**TABLE 4  
GOVERNMENTAL FUNDS  
CHANGES IN NET CAPITAL ASSETS**

	<i>Beginning Balance May 1, 2012</i>	<i>Additions/ Deletion</i>	<i>Ending Balance April 30, 2013</i>
<i>Non-Depreciable Assets</i>			
<i>Land</i>	\$ 1,698,500	\$ -	\$ 1,698,500
<i>Depreciable Capital Assets</i>			
<i>Infrastructure</i>	300,000	-	300,000
<i>Buildings and Improvements</i>	3,862,500	8,800	3,871,300
<i>Equipment and Vehicles</i>	874,211	73,442	947,653
<i>Accumulated Depreciation on Capital Assets</i>	(1,866,493)	(109,477)	(1,975,970)
<b><i>Total</i></b>	<b>\$ 4,868,718</b>	<b>\$ (27,235)</b>	<b>\$ 4,841,483</b>

As seen above, there were no new Construction-in-Progress or Construction-in-Progress retirements for the Governmental Funds in FY13. A mini excavator for Public Works was purchased during fiscal year 2013, along with some minor building improvements.

**Debt Outstanding**

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

- In 2000, the Village issued a \$1,845,000 installment contract for the construction of the Kaptur Administrative Center. In January 2011, the Village refunded this installment contract and issued \$1,055,000 Series 2011 refunding certificates, payable in annual installments until December 2014. As of April 30, 2013, the balance was \$440,000.
- 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, 2013, the balance was \$98,000.
- 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, 2013, the balance was \$445,000.

- In the month of August 2009, the Village issued one installment contract in the amount of \$31,316 for the purchase of a brush chipper. As of April 30, 2013, there is a \$2,341 balance on this contract.
- In November 2009, the Village entered into an installment purchase contract for the purchase of computers. As of April 30, 2013, there is a zero balance on this contract.
- In October 2010, the Village entered into an installment purchase contract for the purchase of a dump truck. As of April 30, 2013, there is a \$23,272 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, 2013 was \$207,781.
- 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, 2013, the combined principal balance remaining was \$485,000.
- 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, 2013 was \$1,570,000.

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 \$20,797,890. The Village's total general obligation debt of \$2,055,000 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.

## ***ECONOMIC FACTORS***

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

The Village's 2012 Tax Year Equalized Assessed Value (EAV) for property taxes payable in 2013 was \$224,070,224 as compared to the 2011 EAV of \$241,134,954. This is a 7.08% decrease in the Village's EAV, due to a reassessment of the tax rate multiplier at the Cook County assessor's office. However, property taxes within the Village's corporate limits continue to provide a stable revenue source.

The Village is dependent on several sources of intergovernmental, or shared state revenue sources to finance general operations. Although the Village completed the fiscal year in a better position than anticipated, economic conditions continue to be weak. 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 will monitor revenue and expenses throughout the fiscal year and will take action if a downturn in the economy occurs. The Village will continue to be proactive in responding to any unforeseen events to minimize the impact to the Village residents.

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

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

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position

April 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Palos Park Public Library
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,579,846	2,277,481	4,857,327	674,584
Investments	254,043	108,876	362,919	
Receivables, Net of Allowance Where Applicable				
Accounts		327,724	327,724	
Property Taxes	617,216		617,216	209,796
State Sales Tax	201,910		201,910	
Grants				4,981
Other	205,057		205,057	
Motor Fuel Tax Allotments	8,336		8,336	
Internal Balances	5,910	(5,910)		
Due from Component Unit	2,699		2,699	
Prepaid Expenses	62,707	14,288	76,995	
Net Pension Asset	12,702		12,702	
Capital Assets Not Being Depreciated	1,698,500	20,000	1,718,500	10,700
Capital Assets Being Depreciated, Net of Accumulated Depreciation	3,142,983	21,699,581	24,842,564	181,564
<b>Total Assets</b>	<b>8,791,909</b>	<b>24,442,040</b>	<b>33,233,949</b>	<b>1,081,625</b>
<b>Liabilities</b>				
Accounts Payable	302,460	110,475	412,935	
Wages Payable	60,670	12,023	72,693	6,570
Deposits Payable	8,461		8,461	
Due to Primary Government				2,699
Accrued Interest	16,870	33,979	50,849	
Unearned Grants	18,517		18,517	
Long-Term Liabilities				
Due Within One Year	309,134	184,020	493,154	6,866
Due in More Than One Year	909,853	2,136,171	3,046,024	
<b>Total Liabilities</b>	<b>1,625,965</b>	<b>2,476,668</b>	<b>4,102,633</b>	<b>16,135</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Property Taxes	604,977		604,977	200,927
<b>Net Position</b>				
Net Investment in Capital Assets	3,833,183	19,433,528	23,266,711	192,264
Restricted for				
Capital Projects	392,265		392,265	
Debt Service	12,726		12,726	
Public Safety	253,260		253,260	
Public Works	641,893		641,893	
Unrestricted	1,427,640	2,531,844	3,959,484	672,299
<b>Total Net Position</b>	<b>\$ 6,560,967</b>	<b>21,965,372</b>	<b>28,526,339</b>	<b>864,563</b>

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Activities

Year Ended April 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants
<b>Governmental Activities</b>			
General Government	\$ 702,364	468,961	
Public Safety	2,076,275	124,343	66,647
Public Works	480,874	12,583	135,783
Building and Public Grounds	552,790	242,355	
Culture and Recreation	364,858	171,763	
Interest	43,988		
Total Governmental Activities	4,221,149	1,020,005	202,430
<b>Business-Type Activities</b>			
Water	2,022,774	1,842,878	
Sewer	846,116	517,625	
Solid Waste	296,803	322,194	
Commuter Lot	86,729	87,093	
Total Business-Type Activities	3,252,422	2,769,790	-
Total Primary Government	\$ 7,473,571	3,789,795	202,430
<b>Component Unit</b>			
Palos Park Public Library	\$ 438,850	21,734	4,981

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, as restated

Ending

(See accompanying Notes to the Financial Statements.)

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit
(233,403)		(233,403)	
(1,885,285)		(1,885,285)	
(332,508)		(332,508)	
(310,435)		(310,435)	
(193,095)		(193,095)	
(43,988)		(43,988)	
(2,998,714)	-	(2,998,714)	-
	(179,896)	(179,896)	
	(328,491)	(328,491)	
	25,391	25,391	
	364	364	
-	(482,632)	(482,632)	-
(2,998,714)	(482,632)	(3,481,346)	-
			(412,135)
1,212,953		1,212,953	385,070
180,461		180,461	
507,016		507,016	
233,195		233,195	4,990
665,548		665,548	
436,814		436,814	
6,034	2,574	8,608	9,202
39,355	14,364	53,719	7,829
1,406		1,406	
4,110	(4,110)		
3,286,892	12,828	3,299,720	407,091
288,178	(469,804)	(181,626)	(5,044)
6,272,789	22,435,176	28,707,965	869,607
6,560,967	21,965,372	28,526,339	864,563

VILLAGE OF PALOS PARK, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2013

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,167,686	1,412,160	2,579,846
Investments	254,043		254,043
Receivables (Net, Where Applicable of Allowance for Uncollectibles)			
Property Taxes	617,216		617,216
State Sales Tax	159,570	42,340	201,910
Other	205,057		205,057
Motor Fuel Tax Allotments		8,336	8,336
Due from Other Funds	5,910		5,910
Due from Component Unit	2,699		2,699
Prepaid Items	62,707		62,707
<b>Total Assets</b>	<b>\$ 2,474,888</b>	<b>1,462,836</b>	<b>3,937,724</b>
<b>Liabilities</b>			
Accounts Payable	\$ 285,914	16,546	302,460
Deposits Payable	8,461		8,461
Wages Payable	60,670		60,670
Unearned Grants		18,517	18,517
<b>Total Liabilities</b>	<b>355,045</b>	<b>35,063</b>	<b>390,108</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - Property Taxes		604,977	604,977
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Prepaid Items	62,707		62,707
<b>Restricted</b>			
Capital Projects		392,265	392,265
Debt Service		12,726	12,726
Public Safety		253,260	253,260
Public Works		641,893	641,893
<b>Assigned</b>			
Culture and Recreation		127,629	127,629
Unassigned	1,452,159		1,452,159
<b>Total Fund Balances</b>	<b>1,514,866</b>	<b>1,427,773</b>	<b>2,942,639</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,474,888</b>	<b>1,462,836</b>	<b>3,937,724</b>

(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, 2013

---

---

Total Fund Balances - Governmental Funds	\$ 2,942,639
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.	4,841,483
The net pension asset for police pension funding is not a current financial resource and, therefore, is not reported in the governmental funds.	12,702
Accrued interest is not due and payable in the current period and, therefore, not reported in the governmental funds.	(16,870)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Installment Contracts	(1,008,613)
Unamortized premium and loss on refunding on long-term debt are reported as a liability in the Statement of Net Position.	313
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds.	<u>(210,687)</u>
Net Position of Governmental Activities	<u>\$ 6,560,967</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, 2013

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 1,212,953		1,212,953
Other Taxes	740,211	180,461	920,672
Licenses, Permits and Fees	459,802		459,802
Intergovernmental	1,153,260	152,650	1,305,910
Charges for Services	44,481	14,865	59,346
Fees by Agreement	379,232		379,232
Fines and Forfeits	78,146	42,361	120,507
Investment Income	4,065	1,969	6,034
Miscellaneous	37,445	1,910	39,355
<b>Total Revenues</b>	<b>4,109,595</b>	<b>394,216</b>	<b>4,503,811</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	604,675		604,675
Public Safety	1,914,713	45,848	1,960,561
Public Works	479,740	35,921	515,661
Building and Public Grounds	441,745	109,250	550,995
Culture and Recreation	310,424	45,973	356,397
Capital Outlay	537	63,293	63,830
<b>Debt Service</b>			
Principal	246,627	28,612	275,239
Interest and Fiscal Charges	23,517	20,471	43,988
<b>Total Expenditures</b>	<b>4,021,978</b>	<b>349,368</b>	<b>4,371,346</b>
<b>Excess of Revenues over Expenditures</b>	<b>87,617</b>	<b>44,848</b>	<b>132,465</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	70,000	48,220	118,220
Transfers Out	(44,110)	(70,000)	(114,110)
Proceeds from Sale of Assets	1,406		1,406
<b>Total Other Financing Sources (Uses)</b>	<b>27,296</b>	<b>(21,780)</b>	<b>5,516</b>
<b>Net Change in Fund Balances</b>	<b>114,913</b>	<b>23,068</b>	<b>137,981</b>
<b>Fund Balances</b>			
Beginning	1,399,953	1,404,705	2,804,658
Ending	<b>\$ 1,514,866</b>	<b>1,427,773</b>	<b>2,942,639</b>

(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, 2013

---

Net Change in Fund Balances - Total Governmental Funds	\$ 137,981
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.	(40,965)
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the Statement of Activities.	181,526
The amortization of bond premiums, loss on refunding, and deferred charges does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(20,686)
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.	275,277
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.	(208,761)
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.	
Increase in Compensated Absences	<u>(36,194)</u>
Change in Net Position of Governmental Activities	<u>\$ 288,178</u>

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2013

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 1,636,568	599,276		41,637	2,277,481
Investments	108,876				108,876
Accounts Receivable	215,807	55,345	56,572		327,724
Prepaid Expenses	6,955	6,199		1,134	14,288
Total Current Assets	1,968,206	660,820	56,572	42,771	2,728,369
<b>Capital Assets</b>					
Capital Assets Not Being Depreciated	20,000				20,000
Capital Assets Being Depreciated, Cost	18,426,626	17,080,420			35,507,046
Less Accumulated Depreciation	(6,767,081)	(7,040,384)			(13,807,465)
Total Capital Assets	11,679,545	10,040,036	-	-	21,719,581
Total Assets	13,647,751	10,700,856	56,572	42,771	24,447,950
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	68,534	13,807	25,271	2,863	110,475
Wages Payable	8,896	3,127			12,023
Accrued Interest	29,107	4,872			33,979
Due to Other Funds			5,910		5,910
Compensated Absences Payable	3,742	1,280			5,022
General Obligation Bond Payable	94,150	35,850			130,000
Special Assessment Bonds Payable	37,710				37,710
Other Debt Obligations	5,644	5,644			11,288
Total Current Liabilities	247,783	64,580	31,181	2,863	346,407
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable	21,145	7,971			29,116
General Obligation Bond Payable	1,693,306	231,694			1,925,000
Special Assessment Bonds Payable	170,071				170,071
Other Debt Obligations	5,992	5,992			11,984
Total Noncurrent Liabilities	1,890,514	245,657	-	-	2,136,171
Total Liabilities	2,138,297	310,237	31,181	2,863	2,482,578
<b>Net Position</b>					
Net Investment in Capital Assets	9,672,672	9,760,856			19,433,528
Unrestricted	1,836,782	629,763	25,391	39,908	2,531,844
Total Net Position	\$ 11,509,454	10,390,619	25,391	39,908	21,965,372

(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, 2013

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
Operating Revenues					
Charges for Services	\$ 1,769,969	515,542	322,194	87,093	2,694,798
Sale of Water Meters	8,945				8,945
Other Income	22,337	2,083			24,420
Total Operating Revenues	1,801,251	517,625	322,194	87,093	2,728,163
Operating Expenses					
Personnel	438,742	151,724			590,466
Commodities	71,660	18,087		27,442	117,189
Water Purchases	534,432				534,432
Services	420,150	139,500	296,803	57,151	913,604
Repairs and Maintenance	8,451	63,601		2,136	74,188
Depreciation and Amortization	466,710	460,810			927,520
Total Operating Expenses	1,940,145	833,722	296,803	86,729	3,157,399
Operating Income (Loss)	(138,894)	(316,097)	25,391	364	(429,236)
Nonoperating Revenues (Expenses)					
Investment Income	1,959	458		157	2,574
Rental Income	41,627				41,627
Tap-on Fees	14,364				14,364
Interest Expense	(82,629)	(12,394)			(95,023)
Total Nonoperating Revenues (Expenses)	(24,679)	(11,936)	-	157	(36,458)
Income (Loss) before Transfers	(163,573)	(328,033)	25,391	521	(465,694)
Transfers In		20,000			20,000
Transfers Out	(22,055)	(2,055)			(24,110)
Net Transfers	(22,055)	17,945	-	-	(4,110)
Change in Net Position	(185,628)	(310,088)	25,391	521	(469,804)
Net Position					
May 1, as restated	11,695,082	10,700,707		39,387	22,435,176
April 30	\$ 11,509,454	10,390,619	25,391	39,908	21,965,372

(See accompanying Notes to the Financial Statements.)

**VILLAGE OF PALOS PARK, ILLINOIS**

Statement of Cash Flows - Proprietary Funds

Year Ended April 30, 2013

	Business-Type Activities				Total
	Water Fund	Sewer Maintenance Fund	Refuse and Recycling Fund	Nonmajor Enterprise Fund	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 1,820,003	521,100	265,622	87,093	2,693,818
Rental Income	41,627				41,627
Payments to Suppliers	(1,033,310)	(210,844)	(271,532)	(90,739)	(1,606,425)
Payments to Employees	(433,219)	(149,787)			(583,006)
	<u>395,101</u>	<u>160,469</u>	<u>(5,910)</u>	<u>(3,646)</u>	<u>546,014</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Interfund Borrowings			5,910		5,910
Transfers In (Out), Net	(22,055)	17,945			(4,110)
	<u>(22,055)</u>	<u>17,945</u>	<u>5,910</u>	<u>-</u>	<u>1,800</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition of Capital Assets	(21,421)	(62,036)			(83,457)
Tap-on Fees	14,364				14,364
Principal Paid on Long-Term Debt	(125,916)	(35,406)			(161,322)
Interest Paid on Long-Term Debt	(82,629)	(12,394)			(95,023)
	<u>(215,602)</u>	<u>(109,836)</u>	<u>-</u>	<u>-</u>	<u>(325,438)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received	1,959	458		157	2,574
Purchase of Investments, Net	(1,128)				(1,128)
	<u>831</u>	<u>458</u>	<u>-</u>	<u>157</u>	<u>1,446</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>158,275</u>	<u>69,036</u>	<u>-</u>	<u>(3,489)</u>	<u>223,822</u>
<b>Cash and Cash Equivalents</b>					
May 1	1,478,293	530,240		45,126	2,053,659
April 30	<u>\$ 1,636,568</u>	<u>599,276</u>	<u>-</u>	<u>41,637</u>	<u>2,277,481</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating Income (Loss)	\$ (138,894)	(316,097)	25,391	364	(429,236)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation and Amortization	466,710	460,810			927,520
Rental Income	41,627				41,627
<b>Changes in Assets and Liabilities</b>					
Receivables	18,752	3,475	(56,572)		(34,345)
Prepaid Expenses	235	183		30	448
Accounts Payable	1,148	10,161	25,271	(4,040)	32,540
Accrued Payroll and Compensated Absences	5,523	1,937			7,460
	<u>\$ 395,101</u>	<u>160,469</u>	<u>(5,910)</u>	<u>(3,646)</u>	<u>546,014</u>

(See accompanying Notes to the Financial Statements.)

VILLAGE OF PALOS PARK, ILLINOIS

Statement of Fiduciary Net Position - Fiduciary Funds

April 30, 2013

	Pension Trust	Agency
<b>Assets</b>		
Cash and Cash Equivalents	\$	2,532,065
Investments		
U.S. Treasury Securities	56,732	
U.S. Agency Securities	912,409	
Municipal Bonds	131,229	
Corporate Bonds	461,533	
Mutual Funds	179,359	
Money Market Mutual Funds	232,665	
Accrued Interest	19,397	
Total Assets	1,993,324	<u>2,532,065</u>
<b>Liabilities</b>		
Due to Bondholders		<u>2,532,065</u>
<b>Net Position</b>		
Held in Trust for Pension Benefits	<u>\$ 1,993,324</u>	

(See accompanying Notes to the Financial Statements.)

**VILLAGE OF PALOS PARK, ILLINOIS**

Statement of Changes in Fiduciary Net Position

Year Ended April 30, 2013

---

---

Additions	
Contributions	
Employer	\$ 185,000
Participants	<u>62,265</u>
	<u>247,265</u>
Investment Income	
Net Depreciation in Fair Value	
of Investments	(8,095)
Interest	87,111
Less Investment Expense	<u>(9,473)</u>
	<u>69,543</u>
Total Additions	<u>316,808</u>
Deductions	
Benefits and Refunds	108,508
Administration	<u>632</u>
Total Deductions	<u>109,140</u>
Change in Net Position	207,668
Net Position Held in Trust for Pension Benefits	
Beginning	<u>1,785,656</u>
Ending	<u>\$ 1,993,324</u>

(See accompanying Notes to the Financial Statements.)

## VILLAGE OF PALOS PARK, ILLINOIS

Index to Notes to Financial Statements  
April 30, 2013

---

Footnote Number	Description	Page Number
1	Summary of Significant Accounting Policies	29
2	Fund Equity	34
3	Deposits and Investments	35
4	Property Taxes	38
5	Capital Assets	38
6	Long-Term Obligations	40
7	Segment Information	44
8	Interfund Transactions	44
9	Defined Benefit Pension Plans	46
10	Other Post-Employment Benefits	51
11	Contingent Liabilities	51
12	Risk Management	51
13	Change in Accounting Principal	52
14	Subsequent Events	52
15	Component Unit - Palos Park Public Library	53

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component unit. The component unit discussed below is included in the Village's reporting entity because of the significance of its operational or financial relationship with the Village.

##### *Palos Park Public Library*

This discretely presented component unit has an appointed board and provides services to residents, generally within the geographic boundaries of the Village. This component unit is included within the reporting entity because the Village approves the budget and annual tax levy. Separate financial statements are not available for the Palos Park Public Library (the Library).

#### 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.

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

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 1. Summary of Significant Accounting Policies (Cont.)

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

##### *Government-wide Financial Statements (Cont.)*

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.

Fiduciary Funds are excluded from the government-wide financial statements.

##### *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, 2013

---

### 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 adopted Governmental Accounting Standards No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB No. 63). GASB No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a Statement of Net Position and related disclosures. The Village also adopted Governmental Accounting Standards No. 65, *Items Previously Reported as Assets and Liabilities* (GASB No. 65). GASB No. 65 reclassifies as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

The Village reports deferred inflows 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. In subsequent periods, when the Village has a legal claim to the resources, the deferred inflow of resources is removed from the Statement of Net Position and revenue is recognized.

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.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### 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.

#### 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.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 1. Summary of Significant Accounting Policies (Cont.)

#### 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.

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.

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, 2013

---

### 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, 2013.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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.

#### *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.

#### *Investments*

The following table presents the investments and maturities of the Village as of April 30, 2013:

	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	\$ 170,177	19,914	95,185	55,078	
U.S. Agency Securities	188,514	17,279	131,834	39,401	
Money Market Mutual Funds	4,228	4,228			
	<u>\$ 362,919</u>	<u>41,421</u>	<u>227,019</u>	<u>94,479</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.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 3. Deposits and Investments (Cont.)

#### A. Village Deposits and Investments (Cont.)

##### *Investments (Cont.)*

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, 2013, 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.

#### 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.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

3. Deposits and Investments (Cont.)

B. Police Pension Investments (Cont.)

*Investments*

The following table presents the investments and maturities of the Police Pension Fund as of April 30, 2013:

	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	\$ 56,732		56,732		
U.S. Agency Securities	912,409	35,494	543,954	332,961	
Municipal Bonds	131,229		67,309	42,303	21,617
Corporate Bonds	461,533		292,590	168,943	
Mutual Funds	179,359	179,359			
Money Market Mutual Funds	232,665	232,665			
	<u>\$ 1,973,927</u>	<u>447,518</u>	<u>960,585</u>	<u>544,207</u>	<u>21,617</u>

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, money market mutual funds, and municipal and corporate bonds are all rated AA+.

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, 2013, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S. agency obligations, corporate bonds, municipal bonds, mutual funds, and money market 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.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

### 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 2012 become due and payable in two installments in March 2013 and August 2013. 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 2012 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

### 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, 2013 is as follows:

	Balances May 1	Additions	Deletions	Balances April 30
Capital Assets Not Being Depreciated				
Land	\$ 1,698,500			1,698,500
Capital Assets Being Depreciated				
Infrastructure	300,000			300,000
Buildings and Improvements	3,862,500	8,800		3,871,300
Vehicles	874,211	172,726	99,284	947,653
	5,036,711	181,526	99,284	5,118,953
Less Accumulated Depreciation For				
Infrastructure	60,000	10,000		70,000
Buildings and Improvements	1,164,783	96,783		1,261,566
Vehicles	641,710	101,978	99,284	644,404
	1,866,493	208,761	99,284	1,975,970
Total Capital Assets Being Depreciated, Net	3,170,218	(27,235)	-	3,142,983
Governmental Activities Capital Assets, Net	\$ 4,868,718	(27,235)	-	4,841,483

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

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, 2013 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	18,364,218	21,421	21,323	18,364,316
Sewer Distribution System	17,032,384	62,036	14,000	17,080,420
Vehicles	62,310			62,310
	<u>35,458,912</u>	<u>83,457</u>	<u>35,323</u>	<u>35,507,046</u>
Less Accumulated Depreciation For				
Water Distribution System	6,272,225	461,331	21,323	6,712,233
Sewer Distribution System	6,589,844	460,810	14,000	7,036,654
Vehicles	53,199	5,379		58,578
	<u>12,915,268</u>	<u>927,520</u>	<u>35,323</u>	<u>13,807,465</u>
Total Capital Assets Being Depreciated, Net	<u>22,543,644</u>	<u>(844,063)</u>	<u>-</u>	<u>21,699,581</u>
Business-Type Activities Capital Assets, Net	<u>\$ 22,563,644</u>	<u>(844,063)</u>	<u>-</u>	<u>21,719,581</u>

C. Depreciation Charged to Functions/Activities

Depreciation was charged to functions/programs of the primary government as follows:

General Government	\$ 84,876
Public Safety	34,023
Public Works	81,991
Culture and Recreation	<u>7,871</u>
Total Governmental Activities	<u>\$ 208,761</u>
Water	\$ 466,710
Sewer	<u>460,810</u>
Total Business-Type Activities	<u>\$ 927,520</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2013

6. Long-Term Obligations

A. Installment Contracts Payable

The Village has outstanding installment contracts payable at April 30, 2013:

\$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%.

\$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 30<sup>th</sup> day of each month through July 30, 2013, including interest of 4.83%.

\$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%.

\$30,000 installment purchase contract, dated November 23, 2009, was issued for the purchase of computers, payable in quarterly installments of \$2,754, commencing February 23, 2010 through November 23, 2012, including interest at 6.00%.

\$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, 2013 are as follows:

	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Series 2002 Certificates	General	\$ 120,000		22,000	98,000	23,000
Series 2006 Certificates	Land Acquisition and Recreation	470,000		25,000	445,000	25,000
2010 Refunding Certificates	General	650,000		210,000	440,000	215,000
2008 Installment Purchase Contract	General	9,113		6,772	2,341	2,341
2009 Installment Purchase Contract	General	7,893		7,893		
2010 Installment Purchase Contract	1/2% Sales Tax	26,884		3,612	23,272	7,599
		<u>\$ 1,283,890</u>	<u>-</u>	<u>275,277</u>	<u>1,008,613</u>	<u>272,940</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Notes to the Financial Statements  
April 30, 2013

6. Long-Term Obligations (Cont.)

B. Debt Service Requirements to Maturity

Fiscal Year Ending April 30	Installment Contracts	
	Principal	Interest
2014	\$ 272,940	36,202
2015	281,910	28,441
2016	62,763	19,160
2017	56,000	16,710
2018	30,000	14,188
2019-2023	175,000	51,089
2024-2027	130,000	11,475
	<u>\$ 1,008,613</u>	<u>177,265</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	\$ 1,283,890		275,277	1,008,613	272,940
Less Deferred Items					
Premium on Installment Contracts	7,325		2,441	4,884	
Loss on Refunding	(7,795)		(2,598)	(5,197)	
Compensated Absences Payable*	174,493	61,642	25,448	210,687	36,194
Net Pension Obligation*	10,981		10,981		
Total Governmental Long-Term Liabilities	<u>\$ 1,468,894</u>	<u>61,642</u>	<u>311,549</u>	<u>1,218,987</u>	<u>309,134</u>

\*The General Fund has typically been used to liquidate the compensated absences liability and net pension obligation.

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, 2013, \$445,000 of bonds outstanding are considered defeased.

**VILLAGE OF PALOS PARK, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2013

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 \$54,384 at April 30, 2013. Special Assessment 96-1B has a remaining public benefit portion of \$153,397 at April 30, 2013. Debt service to maturity on these two obligations is as follows:

Fiscal Year Ending April 30	Public Benefit Special Assessments	
	Principal	Interest
2014	\$ 37,710	11,643
2015	37,710	9,759
2016	37,710	8,383
2017	37,710	6,520
2018	37,710	4,670
2019	19,231	3,725
	<u>\$ 207,781</u>	<u>44,700</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, 2013, \$240,000 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, 2013, \$245,000 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, 2013, \$1,570,000 is outstanding.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

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
2014	\$ 130,000	77,920
2015	135,000	73,788
2016	140,000	69,473
2017	145,000	64,923
2018	145,000	60,185
2019-2023	580,000	224,825
2024-2028	535,000	121,448
2029-2030	245,000	15,910
	<u>\$ 2,055,000</u>	<u>708,472</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.

Fiscal Year Ending April 30	Installment Contract	
	Principal	Interest
2014	\$ 11,288	716
2015	7,910	406
2016	4,074	83
	<u>\$ 23,272</u>	<u>1,205</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	\$ 245,491		37,710	207,781	37,710
Alternate Revenue Bonds Payable	2,175,000		120,000	2,055,000	130,000
Installment Contract	26,884		3,612	23,272	11,288
Compensated Absences Payable	29,116	10,150	5,128	34,138	5,022
Total Business-Type Long-Term Liabilities	<u>\$ 2,476,491</u>	<u>10,150</u>	<u>166,450</u>	<u>2,320,191</u>	<u>184,020</u>

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements

April 30, 2013

---

6. Long-Term Obligations (Cont.)

E. Special Assessment Bonds

Special assessment bonds outstanding as of April 30, 2013 totaled \$2,810,034. 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>
<b><u>Due to/from Other Funds</u></b>		
General	Component Unit Library Fund	\$ 2,699
General	Enterprise Refuse and Recycling Fund	\$ 5,910

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

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
 April 30, 2013

8. Interfund Transactions (Cont.)

B. Transfers

Receiving Fund	Transferring Fund	Amount
General	Nonmajor Governmental Fund	
General	Special Revenue	
	Police Forfeiture	\$ 70,000
Nonmajor Governmental Funds		
Special Revenue	Enterprise	
Police Forfeiture	Water Fund	2,055
	Sewer Maintenance Fund	2,055
	General	4,110
Capital Projects		
Capital Improvements	General	40,000
Enterprise	Enterprise	
Sewer Maintenance Fund	Water Fund	<u>20,000</u>
		<u>\$ 138,220</u>

\$70,000 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.

\$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.

\$20,000 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, 2013

---

### 9. Defined Benefit Pension Plans

#### A. Illinois Municipal Retirement

##### *Plan Description*

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement (including early retirement), disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. IMRF is a defined benefit agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/](http://www.imrf.org/pubs/) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

##### *Funding Policy*

Employees participating in IMRF who retire at or after age 60 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 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the calendar year ended 2012 were 14.37% of covered payroll.

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.

##### *Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions*

For calendar year 2012, the Village's actual contributions were \$205,043. The annual pension cost was \$194,062. 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, 2010 valuation determined the liabilities for calendar year 2011 and the employer rate for calendar year 2012.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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, 2012 was 14.61% 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, 2012 was \$562,926. At April 30, 2012, 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, 2013

---

### 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 proceeding 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, 2012. For 2012, 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*

##### 2013 Annual Pension Cost and Net Pension Obligation

For 2013, the Village's annual required pension contribution (ARC) was \$173,069. The Village's actual contribution was \$185,000. For a description of the significant actuarial assumptions, see Note 9.E.

The net pension asset at April 30, 2013 of \$12,702 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, 2013

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, 2013*

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Total
Annual Required Contribution	\$ 205,043	15,334	173,069	393,446
Interest on the NPO			(453)	(453)
Adjustments to the ARC	(10,981)		64,330	53,349
Annual Pension Cost	194,062	15,334	236,946	446,342
Contribution Made	205,043	15,334	185,000	405,377
Change in the Net Pension Obligation (Asset)	(10,981)	-	51,946	40,965
Net Pension Obligation (Asset) at May 1, 2012	10,981		(64,648)	(53,667)
Net Pension Obligation (Asset) at April 30, 2013	\$ -	-	(12,702)	(12,702)

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, 2013

9. Defined Benefit Pension Plans (Cont.)

E. Significant Actuarial Assumptions (Cont.)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
<b>Significant Actuarial Assumptions</b>			
(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, 2013

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	\$ 1,234,362	2,602,350	1,367,988	47.43%	1,426,882	95.87%
Sheriff's Law Enforcement Personnel	309,448	351,505	42,057	88.04%	104,957	40.07%
Police Pension	1,785,656	3,374,232	1,588,576	52.92%	562,926	282.20%

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, 2013

9. Defined Benefit Pension Plans (Cont.)

G. Trend Information

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Annual Pension Cost	2013	\$ 194,062	15,334	236,946
	2012	192,397	16,168	151,591
	2011	180,899	14,013	151,591
Percent Contributed	2013	105.66	100.00	107.01
	2012	100.00	100.00	110.16
	2011	93.93	100.00	128.06
Net Pension Obligation (Asset)	2013			(12,702)
	2012	10,981		(64,648)
	2011	10,981		(49,239)

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, 2013.

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, 2013

---

### 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, 2013.

Complete financial statements, the latest available dated December 31, 2012, may be obtained directly from IRMA's administrative offices at 4 Westbrook Corporate Center, Suite 940, Westchester, Illinois 60154.

### 13. Change in Accounting Principal

Net Position has been adjusted to reflect the adoption of GASB No. 63 and GASB No. 65 as described below:

	<u>Water Fund</u>	<u>Business-Type Activities</u>
Net Position, June 30, 2012, as Previously Reported	\$ 11,731,879	22,471,973
Bond Issuance Costs Previously Capitalized, Now Expensed in Accordance with GASB No. 65	<u>(36,797)</u>	<u>(36,797)</u>
Net Position, July 1, 2012, as Restated	<u>\$ 11,695,082</u>	<u>22,435,176</u>

### 14. Subsequent Events

Subsequent to year end, the Village entered into a construction agreement for street improvements totaling \$183,970.

The Village has evaluated subsequent events through October 29, 2013, the date when these financial reports were available to be issued.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 15. Component Unit – Palos Park Public Library

#### A. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles 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 policies.

##### *Fund Accounting*

The Library uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements.

All of the Library funds are classified as governmental funds.

Governmental funds are used to account for all of the Library's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital project funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the Library.

The Library reports the following major government fund:

The **General Fund** is the general operating fund of the Library. It is used to account for all financial resources of the Library.

##### *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 and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Library recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements 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. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures, if any, are recorded only when payment is due.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 15. Component Unit – Palos Park Public Library (Cont.)

#### A. Summary of Significant Accounting Policies (Cont.)

##### *Measurement Focus and Basis of Accounting and Financial Statement Presentation (Cont.)*

Property taxes owed to the State at year-end, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue and miscellaneous revenues are considered to be “measurable” and “available” only when cash is received by the Library.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., Federal and State grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditures and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Library reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

##### *Investments*

Investments are stated at cost or amortized cost, which approximates fair value.

#### B. Deposits and Investments

##### *Library Investments*

The Library’s investment policy authorizes the Library 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 that maintains a \$1 per share value which is equal to the participants fair value). The Library’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.

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 15. Component Unit – Palos Park Public Library (Cont.)

#### B. Deposits and Investments (Cont.)

##### *Library Investments (Cont.)*

It is the policy of the Library 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 Library 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.

##### *Library Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library’s deposits may not be returned to it. The Library’s investment policy does not discuss custodial credit risk.

##### *Investments*

In accordance with its investment policy, the Library 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.

The Library 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.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library’s investment policy requires all investments to be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors and soundly diversified.

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. There are no significant investments in any one organization that represents 5% or more of its overall portfolio at April 30, 2013.

#### C. Receivables

Property taxes for the 2012 levy year attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about February 1, 2013 and September 1, 2013, and are payable in two installments, on or about March 1, 2013 and October 1, 2013.

The County collects such taxes and remits them periodically. The second half collections of the 2011 levy and the first half collections of 2012 are intended to finance the 2013 fiscal year. The remaining collections of the 2012 levy are not considered available for current operations and are, therefore, shown as deferred/unearned revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013, as the tax attached as a lien in property as of January 1, 2013; however, the tax will not be levied until December 2013 and, accordingly, is not measureable at April 30, 2013.

VILLAGE OF PALOS PARK, ILLINOIS

Notes to the Financial Statements  
 April 30, 2013

15. Component Unit – Palos Park Public Library (Cont.)

D. Capital Assets

Capital asset activity for the Library for the year ended April 30, 2013 was as follows:

	Balances May 1	Additions	Deletions	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 10,700			10,700
Capital Assets Being Depreciated				
Land Improvements	23,380			23,380
Buildings and Improvements	421,664			421,664
	445,044	-	-	445,044
Less Accumulated Depreciation For				
Land Improvements	14,806	779		15,585
Buildings and Improvements	237,353	10,542		247,895
	252,159	11,321	-	263,480
Total Capital Assets Being Depreciated, Net	192,885	(11,321)	-	181,564
Governmental Activities Capital Assets, Net	\$ 203,585	(11,321)	-	192,264

Depreciation expense of \$11,321 was charged to Culture and Recreation.

E. Long-Term Debt

*Changes in Long-Term Liabilities*

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Compensated Absences Payable	\$ 6,902	6,866	6,902	6,866	6,866

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF PALOS PARK, ILLINOIS

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
Year Ended April 30, 2013 (With Comparative Actual)

	2013			2012 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
Revenues				
Taxes				
Property Tax	\$ 1,218,392	1,212,953	(5,439)	1,206,448
Utility Tax	561,365	507,016	(54,349)	535,051
Other Taxes	260,075	233,195	(26,880)	243,637
Licenses, Permits and Inspections	463,146	459,802	(3,344)	482,653
Intergovernmental				
State Sales Tax	690,000	665,548	(24,452)	673,639
State Income Tax	388,750	436,814	48,064	393,386
Other	14,000	50,898	36,898	67,432
Charges for Services	35,088	44,481	9,393	32,905
Fees by Agreement	363,309	379,232	15,923	660,796
Fines and Forfeits	85,750	78,146	(7,604)	64,938
Investment Income	450	4,065	3,615	13,097
Miscellaneous	43,665	37,445	(6,220)	23,558
Total Revenues	<u>4,123,990</u>	<u>4,109,595</u>	<u>(14,395)</u>	<u>4,397,540</u>
Expenditures				
Current				
General Government	698,167	604,675	(93,492)	609,448
Public Safety	1,833,576	1,914,713	81,137	1,811,942
Public Works	519,431	479,740	(39,691)	443,530
Building and Public Grounds	488,523	441,745	(46,778)	542,049
Culture and Recreation	289,426	310,424	20,998	265,226
Solid Waste				286,300
Capital Outlay	5,000	537	(4,463)	1,021
Debt Service				
Principal Retirement	246,061	246,627	566	242,542
Interest Charges and Fees	23,993	23,517	(476)	29,563
Total Expenditures	<u>4,104,177</u>	<u>4,021,978</u>	<u>(82,199)</u>	<u>4,231,621</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19,813</u>	<u>87,617</u>	<u>67,804</u>	<u>165,919</u>
Other Financing Sources (Uses)				
Transfers In	70,000	70,000		90,000
Transfers Out	(44,100)	(44,110)	(10)	(44,110)
Proceeds from Sale of Assets	5,000	1,406	(3,594)	3,971
Total Other Financing Sources (Uses)	<u>30,900</u>	<u>27,296</u>	<u>(3,604)</u>	<u>49,861</u>
Net Change in Fund Balance	<u>\$ 50,713</u>	<u>114,913</u>	<u>64,200</u>	<u>215,780</u>
Fund Balance				
Beginning		<u>1,399,953</u>		
Ending		<u>1,514,866</u>		

(See accompanying Note to the Required Supplementary Information.)

## VILLAGE OF PALOS PARK, ILLINOIS

Notes to Required Supplementary Information  
April 30, 2013

---

### 1. Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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 of April 30, 2013.

Fund	Original and Final Budget	Expenditures
Police Forfeiture	\$ 67,500	109,141
Commuter Parking Lot	79,877	86,729
Refuse and Recycling	295,245	296,803
Police Pension	108,875	109,140

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, 2013

**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
12/31/2012	\$ 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
12/31/2007	2,234,081	2,763,079	528,998	80.85	1,209,639	43.73

**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, 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
12/31/2012	\$ 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, 2013

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
12/31/2012	\$ 205,043	205,043	100.00 %
12/31/2011	192,397	192,397	100.00
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
12/31/2007	105,601	105,601	100.00

**Police Pension Fund**

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
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
4/30/2008	202,122	163,251	123.81

**Sheriff's Law Enforcement Personnel**

Actuarial Valuation Date	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
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, 2013 (With Comparative Prior Year)

	2013	2012
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,167,686	904,165
Investments	254,043	251,413
Receivables		
Property Taxes	617,216	660,352
State Sales Taxes	159,570	166,926
Other Intergovernmental	143,535	229,671
Accounts, Net of Allowance for		
Uncollectible Receivables	61,522	130,247
Due from Other Funds	5,910	
Due from Component Unit	2,699	5,763
Prepaid Items	62,707	63,632
	<u>\$ 2,474,888</u>	<u>2,412,169</u>
<b>Liabilities</b>		
Accounts Payable	\$ 285,914	305,079
Deposits Payable	8,461	5,546
Wages Payable	60,670	46,590
	<u>355,045</u>	<u>357,215</u>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue - Property Taxes	604,977	655,001
<b>Fund Balances</b>		
Nonspendable Prepaid Items	62,707	63,632
Unassigned	1,452,159	1,336,321
	<u>1,514,866</u>	<u>1,399,953</u>
	<u>\$ 2,474,888</u>	<u>2,412,169</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		

**VILLAGE OF PALOS PARK, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>General Government</b>				
<b>Administration</b>				
Wages	\$ 266,151	261,894	(4,257)	252,757
Benefits	79,567	70,990	(8,577)	75,711
Insurance	14,891	12,668	(2,223)	13,583
Legal Fees	75,000	40,407	(34,593)	50,944
Consultants, Engineers and Planners	11,000	199	(10,801)	205
Other Contractual Services	90,500	53,486	(37,014)	76,718
Commodities	63,230	66,684	3,454	57,061
<b>Total Administration</b>	<b>600,339</b>	<b>506,328</b>	<b>(94,011)</b>	<b>526,979</b>
<b>Public Affairs</b>				
Insurance	1,418	1,154	(264)	1,126
Legal Fees		1,853	1,853	
Consultants, Engineers and Planners	2,000	118	(1,882)	94
Other Contractual Services	12,050	18,809	6,759	14,898
Commodities	4,200	2,689	(1,511)	2,286
<b>Total Public Affairs</b>	<b>19,668</b>	<b>24,623</b>	<b>4,955</b>	<b>18,404</b>
<b>Finance</b>				
Wages	103,413	101,515	(1,898)	110,355
Benefits	32,450	29,222	(3,228)	32,120
Insurance	4,964	4,053	(911)	4,726
Legal Fees	500	663	163	427
Consultants, Engineers and Planners	40,975	42,237	1,262	37,688
Commodities	3,608	6,549	2,941	1,644
<b>Total Finance</b>	<b>185,910</b>	<b>184,239</b>	<b>(1,671)</b>	<b>186,960</b>
<b>Other</b>				
Other Contractual Services	22,000	19,102	(2,898)	4,074
Commodities	250	383	133	31
<b>Total Other</b>	<b>22,250</b>	<b>19,485</b>	<b>(2,765)</b>	<b>4,105</b>
<b>Total General Government</b>	<b>828,167</b>	<b>734,675</b>	<b>(93,492)</b>	<b>736,448</b>
<b>Less Administrative Charges</b>	<b>(130,000)</b>	<b>(130,000)</b>		<b>(127,000)</b>
<b>Net General Government</b>	<b>698,167</b>	<b>604,675</b>	<b>(93,492)</b>	<b>609,448</b>

(Cont.)

**VILLAGE OF PALOS PARK, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
 Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Public Safety</b>				
Wages	1,048,472	1,128,032	79,560	1,076,917
Benefits	395,662	400,352	4,690	366,834
Insurance	58,145	56,825	(1,320)	57,046
Legal Fees	60,000	47,044	(12,956)	59,414
Other Contractual Services	149,697	147,283	(2,414)	137,582
Commodities	121,600	135,177	13,577	114,149
<b>Total Public Safety</b>	<b>1,833,576</b>	<b>1,914,713</b>	<b>81,137</b>	<b>1,811,942</b>
<b>Public Works</b>				
Wages	218,762	202,447	(16,315)	199,992
Benefits	113,916	89,012	(24,904)	103,094
Insurance	15,600	13,642	(1,958)	10,348
Legal Fees	2,000	3,402	1,402	59
Consultants, Engineers and Planners	3,000	1,158	(1,842)	1,930
Other Contractual Services	111,900	120,512	8,612	95,605
Commodities	54,253	49,567	(4,686)	32,502
<b>Total Public Works</b>	<b>519,431</b>	<b>479,740</b>	<b>(39,691)</b>	<b>443,530</b>
<b>Building and Public Grounds</b>				
<b>Building</b>				
Wages	170,018	167,554	(2,464)	191,160
Benefits	75,903	59,219	(16,684)	70,705
Insurance	7,800	6,367	(1,433)	7,315
Legal Fees	12,000	8,590	(3,410)	20,514
Consultants, Engineers and Planners	34,000	38,862	4,862	33,183
Other Contractual Services	24,000	(9,432)	(33,432)	98,788
Commodities	7,665	8,142	477	4,765
<b>Total Building</b>	<b>331,386</b>	<b>279,302</b>	<b>(52,084)</b>	<b>426,430</b>
<b>Public Grounds</b>				
Other Contractual Services	150,087	155,474	5,387	109,200
Commodities	7,050	6,969	(81)	6,419
<b>Total Building and Public Grounds</b>	<b>488,523</b>	<b>441,745</b>	<b>(46,778)</b>	<b>542,049</b>

(Cont.)

**VILLAGE OF PALOS PARK, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
 Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Culture and Recreation</b>				
<b>Recreation</b>				
Wages	129,326	138,744	9,418	126,908
Benefits	40,055	31,633	(8,422)	37,288
Insurance	11,062	9,257	(1,805)	10,467
Other Contractual Services	60,225	62,806	2,581	53,018
Commodities	38,758	39,913	1,155	33,851
	<u>279,426</u>	<u>282,704</u>	<u>3,278</u>	<u>261,532</u>
<b>Festivals</b>				
Equipment	10,000	27,720	17,720	3,694
<b>Total Culture and Recreation</b>	<u>289,426</u>	<u>310,424</u>	<u>20,998</u>	<u>265,226</u>
<b>Solid Waste</b>				
Other Contractual Services				286,300
<b>Capital Outlay</b>				
Administration	5,000	537	(4,463)	1,021
<b>Debt Service</b>				
Administration				
Principal Retirement	246,061	246,627	566	242,542
Interest Charges and Fees	23,993	23,517	(476)	29,563
<b>Total Debt Service</b>	<u>270,054</u>	<u>270,144</u>	<u>90</u>	<u>272,105</u>
<b>Total Expenditures</b>	<u>\$ 4,104,177</u>	<u>4,021,978</u>	<u>(82,199)</u>	<u>4,231,621</u>

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS**

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet  
April 30, 2013

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and Improvements	\$ 717,403	694,757	1,412,160
Receivables			
Sales Tax		42,340	42,340
Motor Fuel Tax Allotments	8,336		8,336
<b>Total Assets</b>	<b>\$ 725,739</b>	<b>737,097</b>	<b>1,462,836</b>
<b>Liabilities</b>			
Accounts Payable	\$ 11,595	4,951	16,546
Unearned Grants	18,517		18,517
<b>Total Liabilities</b>	<b>30,112</b>	<b>4,951</b>	<b>35,063</b>
<b>Fund Balances</b>			
Restricted	567,998	732,146	1,300,144
Assigned	127,629		127,629
<b>Total Fund Balances</b>	<b>695,627</b>	<b>732,146</b>	<b>1,427,773</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 725,739</b>	<b>737,097</b>	<b>1,462,836</b>

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2013

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$	180,461	180,461
Intergovernmental	136,901	15,749	152,650
Charges for Services	14,865		14,865
Fines and Forfeits	42,361		42,361
Investment Income	1,395	574	1,969
Miscellaneous	1,910		1,910
Total Revenues	<u>197,432</u>	<u>196,784</u>	<u>394,216</u>
<b>Expenditures</b>			
Current			
Public Safety	45,848		45,848
Public Works	35,921		35,921
Building and Public Grounds		109,250	109,250
Culture and Recreation	45,973		45,973
Capital Outlay	63,293		63,293
Debt Service			
Principal	25,000	3,612	28,612
Interest	19,926	545	20,471
Total Expenditures	<u>235,961</u>	<u>113,407</u>	<u>349,368</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(38,529)</u>	<u>83,377</u>	<u>44,848</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	8,220	40,000	48,220
Transfers Out	(70,000)		(70,000)
Total Other Financing Sources (Uses)	<u>(61,780)</u>	<u>40,000</u>	<u>(21,780)</u>
Net Change in Fund Balances	(100,309)	123,377	23,068
<b>Fund Balances</b>			
Beginning	<u>795,936</u>	<u>608,769</u>	<u>1,404,705</u>
Ending	<u>\$ 695,627</u>	<u>732,146</u>	<u>1,427,773</u>

## 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, 2013 (With Comparative Prior Year)

---

(See Following Page)

VILLAGE OF PALOS PARK, ILLINOIS

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2013 (With Comparative Prior Year Total)

	Motor Fuel Tax	Police Forfeiture	Exaction Fee
<b>Assets</b>			
Cash and Cash Equivalents	\$ 294,651	263,880	12,726
Motor Fuel Tax Allotments Receivable	8,336		
<b>Total Assets</b>	<b>\$ 302,987</b>	<b>263,880</b>	<b>12,726</b>
<b>Liabilities</b>			
Accounts Payable	\$ 975	10,620	
Unearned Grants			
<b>Total Liabilities</b>	<b>975</b>	<b>10,620</b>	<b>-</b>
<b>Fund Balances</b>			
Restricted	302,012	253,260	12,726
Assigned			
<b>Total Fund Balances</b>	<b>302,012</b>	<b>253,260</b>	<b>12,726</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 302,987</b>	<b>263,880</b>	<b>12,726</b>

Fine Arts	Land Acquisition and Recreation	2013 Total	2012 Total
30,537	115,609	717,403	787,655
		8,336	9,410
30,537	115,609	725,739	797,065
		11,595	1,129
	18,517	18,517	
-	18,517	30,112	1,129
		567,998	593,931
30,537	97,092	127,629	202,005
30,537	97,092	695,627	795,936
30,537	115,609	725,739	797,065

**VILLAGE OF PALOS PARK, ILLINOIS**

Nonmajor Special Revenue Funds

Combining Schedule of Revenues, Expenditures and  
 Changes in Fund Balances  
 Year Ended April 30, 2013 (With Comparative Prior Year Total)

	Motor Fuel Tax	Police Forfeiture	Exaction Fee
<b>Revenues</b>			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 135,783		
Grant Income			
Charges for Services			
Exaction Fees			
Event Fees			
Fines and Forfeits		42,361	
Investment Income	212	1,103	
Miscellaneous		1,450	
Total Revenues	<u>135,995</u>	<u>44,914</u>	<u>-</u>
<b>Expenditures</b>			
Current			
Public Safety		45,848	
Public Works	35,921		
Culture and Recreation			
Debt Service			
Principal			
Interest and Fiscal Charges			
Capital Outlay		63,293	
Total Expenditures	<u>35,921</u>	<u>109,141</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100,074</u>	<u>(64,227)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In		8,220	
Transfers Out		(70,000)	
Proceeds from Sale of Easements			
Total Other Financing Sources (Uses)	<u>-</u>	<u>(61,780)</u>	<u>-</u>
Net Change in Fund Balance	100,074	(126,007)	
<b>Fund Balance</b>			
May 1	<u>201,938</u>	<u>379,267</u>	<u>12,726</u>
April 30	<u>\$ 302,012</u>	<u>253,260</u>	<u>12,726</u>

Fine Arts	Land Acquisition and Recreation	2013 Total	2012 Total
		135,783	139,407
1,118		1,118	57,589
			7,321
14,865		14,865	9,521
		42,361	9,423
3	77	1,395	815
460		1,910	6,257
16,446	77	197,432	230,333
		45,848	57,226
		35,921	126,506
24,614	21,359	45,973	23,511
	25,000	25,000	25,000
	19,926	19,926	20,865
		63,293	99,718
24,614	66,285	235,961	352,826
(8,168)	(66,208)	(38,529)	(122,493)
		8,220	8,220
		(70,000)	(90,000)
			110,000
-	-	(61,780)	28,220
(8,168)	(66,208)	(100,309)	(94,273)
38,705	163,300	795,936	890,209
30,537	97,092	695,627	795,936

**VILLAGE OF PALOS PARK, ILLINOIS**

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Revenues</b>				
Motor Fuel Taxes	\$ 116,813	135,783	18,970	139,407
Investment Income	100	212	112	133
Total Revenues	<u>116,913</u>	<u>135,995</u>	<u>19,082</u>	<u>139,540</u>
<b>Expenditures</b>				
Current				
Public Works				
Supplies	80,000	35,921	(44,079)	51,506
Contractual Services	3,000		(3,000)	
Capital Outlay				75,000
Total Expenditures	<u>83,000</u>	<u>35,921</u>	<u>(47,079)</u>	<u>126,506</u>
Net Change in Fund Balance	<u>\$ 33,913</u>	100,074	<u>66,161</u>	13,034
<b>Fund Balance</b>				
May 1		<u>201,938</u>		<u>188,904</u>
April 30		<u>302,012</u>		<u>201,938</u>

VILLAGE OF PALOS PARK, ILLINOIS

Police Forfeiture Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Revenues</b>				
Fines and Forfeits	\$ 10,000	42,361	32,361	9,423
Investment Income	2,500	1,103	(1,397)	625
Miscellaneous		1,450	1,450	3,647
Total Revenues	12,500	44,914	32,414	13,695
<b>Expenditures</b>				
Current				
Police				
Supplies	16,000	19,573	3,573	17,078
Contractual Services	21,000	26,275	5,275	40,148
Capital Outlay	30,500	63,293	32,793	99,718
Total Expenditures	67,500	109,141	41,641	156,944
Excess (Deficiency) of Revenues over Expenditures	(55,000)	(64,227)	(9,227)	(143,249)
<b>Other Financing Sources (Uses)</b>				
Transfers In	8,220	8,220		8,220
Transfers Out	(70,000)	(70,000)		(90,000)
Total Other Financing Sources (Uses)	(61,780)	(61,780)	-	(81,780)
Net Change in Fund Balance	\$ (116,780)	(126,007)	(9,227)	(225,029)
<b>Fund Balance</b>				
May 1		379,267		604,296
April 30		253,260		379,267

**VILLAGE OF PALOS PARK, ILLINOIS**

Exaction Fee Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
Revenues				
Charges for Services				
Exaction Fees	\$			7,321
Expenditures				
Net Change in Fund Balance	\$ -	-	-	7,321
Fund Balance				
May 1		12,726		5,405
April 30		12,726		12,726

**VILLAGE OF PALOS PARK, ILLINOIS**

Land Acquisition and Recreation Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Revenues</b>				
Intergovernmental	\$ 215,000		(215,000)	56,250
Investment Income		77	77	39
Total Revenues	<u>215,000</u>	<u>77</u>	<u>(214,923)</u>	<u>56,289</u>
<b>Expenditures</b>				
Current				
Culture and Recreation	215,000	21,359	(193,641)	
Debt Service				
Principal	25,000	25,000		25,000
Interest and Fiscal Charges	19,498	19,926	428	20,865
Total Expenditures	<u>259,498</u>	<u>66,285</u>	<u>(193,213)</u>	<u>45,865</u>
Excess (Deficiency) of Revenues over Expenditures	(44,498)	(66,208)	(21,710)	10,424
Other Financing Sources				
Proceeds from Sale of Easements	90,000		(90,000)	110,000
Net Change in Fund Balance	<u>\$ 45,502</u>	<u>(66,208)</u>	<u>(111,710)</u>	120,424
Fund Balance				
May 1		<u>163,300</u>		<u>42,876</u>
April 30		<u><u>97,092</u></u>		<u><u>163,300</u></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 **½% 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, 2013 (With Comparative Prior Year Total)

	Capital Improvements	1/2% Sales Tax	2013 Total	2012 Total
Assets				
Cash and Investments	\$ 392,265	302,492	694,757	565,601
Receivables				
Sales Tax		42,340	42,340	45,312
Total Assets	<u>\$ 392,265</u>	<u>344,832</u>	<u>737,097</u>	<u>610,913</u>
Liabilities				
Accounts Payable	\$	4,951	4,951	2,144
Fund Balances				
Restricted	<u>392,265</u>	<u>339,881</u>	<u>732,146</u>	<u>608,769</u>
Total Liabilities and Fund Balances	<u>\$ 392,265</u>	<u>344,832</u>	<u>737,097</u>	<u>610,913</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Nonmajor Capital Projects Funds

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2013 (With Comparative Prior Year Total)

	Capital Improvements	1/2% Sales Tax	2013 Total	2012 Total
<b>Revenues</b>				
Taxes	\$	180,461	180,461	181,370
Intergovernmental		15,749	15,749	11,191
Investment Income	321	253	574	386
<b>Total Revenues</b>	<b>321</b>	<b>196,463</b>	<b>196,784</b>	<b>192,947</b>
<b>Expenditures</b>				
Current				
Building and Public Grounds		109,250	109,250	251,001
Debt Service				
Principal		3,612	3,612	7,011
Interest and Fiscal Charges		545	545	1,304
<b>Total Expenditures</b>	<b>-</b>	<b>113,407</b>	<b>113,407</b>	<b>259,316</b>
Excess (Deficiency) of Revenues over Expenditures	321	83,056	83,377	(66,369)
<b>Other Financing Sources</b>				
Transfers In	40,000		40,000	40,000
<b>Net Change in Fund Balances</b>	<b>40,321</b>	<b>83,056</b>	<b>123,377</b>	<b>(26,369)</b>
<b>Fund Balances</b>				
Beginning	351,944	256,825	608,769	635,138
Ending	\$ 392,265	339,881	732,146	608,769

**VILLAGE OF PALOS PARK, ILLINOIS**

Capital Improvements Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
Revenues				
Investment Income	\$ 100	321	221	214
Expenditures				
Current				
Building and Public Grounds				
Contractual Services	40,000		(40,000)	
Excess (Deficiency) of Revenues over Expenditures	(39,900)	321	40,221	214
Other Financing Sources				
Transfers In	40,000	40,000		40,000
Net Change in Fund Balance	<u>\$ 100</u>	40,321	<u>40,221</u>	40,214
Fund Balance				
May 1		<u>351,944</u>		<u>311,730</u>
April 30		<u>392,265</u>		<u>351,944</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

1/2% Sales Tax Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Final Budget	Actual		
<b>Revenues</b>				
Taxes				
Sales Tax	\$ 175,377	180,461	5,084	181,370
Intergovernmental		15,749	15,749	11,191
Investment Income	150	253	103	172
Total Revenues	<u>175,527</u>	<u>196,463</u>	<u>20,936</u>	<u>192,733</u>
<b>Expenditures</b>				
Current				
Building and Public Grounds				
Contractual Services	10,000		(10,000)	19,687
Supplies	4,000	4,000		16,440
Capital Outlays	130,000	105,250	(24,750)	214,874
Debt Service				
Principal	8,315	3,612	(4,703)	7,011
Interest and Fiscal Charges	1,015	545	(470)	1,304
Total Expenditures	<u>153,330</u>	<u>113,407</u>	<u>(39,923)</u>	<u>259,316</u>
Net Change in Fund Balance	<u>\$ 22,197</u>	83,056	<u>60,859</u>	(66,583)
<b>Fund Balance</b>				
May 1		<u>256,825</u>		<u>323,408</u>
April 30		<u>339,881</u>		<u>256,825</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, 2013 (With Comparative Prior Year)

	2013	2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,636,568	1,478,293
Investments	108,876	107,748
Accounts Receivable, Net of Allowance for Uncollectible Accounts	215,807	234,559
Prepaid Expenses	6,955	7,190
<b>Total Current Assets</b>	<b>1,968,206</b>	<b>1,827,790</b>
<b>Capital Assets</b>		
Capital Assets Not Being Depreciated	20,000	20,000
Capital Assets Being Depreciated, Cost Less Accumulated Depreciation	18,426,626 (6,767,081)	18,426,528 (6,321,694)
<b>Total Capital Assets</b>	<b>11,679,545</b>	<b>12,124,834</b>
<b>Total Assets</b>	<b>13,647,751</b>	<b>13,952,624</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	68,534	67,386
Wages Payable	8,896	7,115
Accrued Interest	29,107	29,107
Compensated Absences Payable	3,742	3,534
General Obligation Bonds Payable	94,150	86,400
Special Assessment Bonds Payable	37,710	37,710
Other Debt Obligations	5,644	3,650
<b>Total Current Liabilities</b>	<b>247,783</b>	<b>234,902</b>
<b>Long-Term Liabilities</b>		
Compensated Absences Payable	21,145	17,611
General Obligation Bonds Payable	1,693,306	1,787,456
Special Assessment Bonds Payable	170,071	207,781
Other Debt Obligations	5,992	9,792
<b>Total Long-Term Liabilities</b>	<b>1,890,514</b>	<b>2,022,640</b>
<b>Total Liabilities</b>	<b>2,138,297</b>	<b>2,257,542</b>
<b>Net Position</b>		
Net Investment in Capital Assets	9,672,672	9,992,045
Unrestricted	1,836,782	1,703,037
<b>Total Net Position</b>	<b>\$ 11,509,454</b>	<b>11,695,082</b>

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, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 1,709,780	1,769,969	60,189	1,592,551
Sale of Water Meters	4,000	8,945	4,945	5,005
Other Income	28,900	22,337	(6,563)	33,184
Total Operating Revenues	<u>1,742,680</u>	<u>1,801,251</u>	<u>58,571</u>	<u>1,630,740</u>
Operating Expenses				
Personnel	461,282	438,742	(22,540)	421,257
Commodities	80,700	71,660	(9,040)	20,798
Water Purchases	500,000	534,432	34,432	373,551
Services	444,298	420,150	(24,148)	333,799
Capital Outlay	30,000	29,872	(128)	29,322
Total Operating Expenses	<u>1,516,280</u>	<u>1,494,856</u>	<u>(21,424)</u>	<u>1,178,727</u>
Operating Income	<u>226,400</u>	<u>306,395</u>	<u>79,995</u>	<u>452,013</u>
Nonoperating Revenues (Expenses)				
Investment Income	1,700	1,959	259	6,134
Rental Income	39,758	41,627	1,869	39,769
Tap-on Fees	2,803	14,364	11,561	
Debt Principal Payment	(131,868)	(125,916)	5,952	(127,615)
Interest Expense	(83,845)	(82,629)	1,216	(86,833)
Total Nonoperating Revenues (Expenses)	<u>(171,452)</u>	<u>(150,595)</u>	<u>20,857</u>	<u>(168,545)</u>
Net Income Before Transfers	<u>54,948</u>	<u>155,800</u>	<u>100,852</u>	<u>283,468</u>
Transfers Out	<u>(22,055)</u>	<u>(22,055)</u>		<u>(22,055)</u>
Net Income (Budgetary Basis)	<u>\$ 32,893</u>	<u>133,745</u>	<u>100,852</u>	<u>261,413</u>
Adjustments to GAAP Basis				
Debt Principal Payment		125,916		127,615
Capitalized Assets		21,421		
Depreciation		(466,710)		(465,923)
		<u>(319,373)</u>		<u>(338,308)</u>
Net Loss - GAAP Basis		(185,628)		(76,895)
Net Position				
Beginning, as restated		<u>11,695,082</u>		<u>11,771,977</u>
Ending		<u>11,509,454</u>		<u>11,695,082</u>

VILLAGE OF PALOS PARK, ILLINOIS

Sewer Maintenance Fund (Major Fund)

Statement of Net Position  
 April 30, 2013 (With Comparative Prior Year)

	2013	2012
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 599,276	530,240
Accounts Receivable, Net of Allowance for Uncollectible Accounts	55,345	58,820
Prepaid Expenses	6,199	6,382
<b>Total Current Assets</b>	<b>660,820</b>	<b>595,442</b>
<b>Capital Assets</b>		
Capital Assets Being Depreciated, Cost	17,080,420	17,032,384
Less Accumulated Depreciation	(7,040,384)	(6,593,574)
<b>Total Capital Assets</b>	<b>10,040,036</b>	<b>10,438,810</b>
<b>Total Assets</b>	<b>10,700,856</b>	<b>11,034,252</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	13,807	3,646
Wages Payable	3,127	2,470
Accrued Interest	4,872	4,872
Compensated Absences Payable	1,280	1,594
General Obligation Bonds Payable	35,850	33,600
Other Debt Obligations	5,644	3,651
<b>Total Current Liabilities</b>	<b>64,580</b>	<b>49,833</b>
<b>Long-Term Liabilities</b>		
Compensated Absences Payable	7,971	6,377
General Obligation Bonds Payable	231,694	267,544
Other Debt Obligations	5,992	9,791
<b>Total Long-Term Liabilities</b>	<b>245,657</b>	<b>283,712</b>
<b>Total Liabilities</b>	<b>310,237</b>	<b>333,545</b>
<b>Net Position</b>		
Net Investment in Capital Assets	9,760,856	10,124,224
Unrestricted	629,763	576,483
<b>Total Net Position</b>	<b>\$ 10,390,619</b>	<b>10,700,707</b>

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, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 477,000	515,542	38,542	484,282
Other Income	1,000	2,083	1,083	1,113
Total Operating Revenues	<u>478,000</u>	<u>517,625</u>	<u>39,625</u>	<u>485,395</u>
Operating Expenses				
Personnel	174,426	151,724	(22,702)	167,099
Commodities	42,500	18,087	(24,413)	20,446
Services	221,302	139,500	(81,802)	168,589
Capital Outlay	80,000	125,637	45,637	
Total Operating Expenses	<u>518,228</u>	<u>434,948</u>	<u>(83,280)</u>	<u>356,134</u>
Operating Income (Loss)	<u>(40,228)</u>	<u>82,677</u>	<u>122,905</u>	<u>129,261</u>
Nonoperating Revenues (Expenses)				
Investment Income	200	458	258	328
Tap-on Fees	22,593		(22,593)	
Debt Principal Payment	(34,158)	(35,406)	(1,248)	(37,105)
Interest Expense	(11,572)	(12,394)	(822)	(13,441)
Total Nonoperating Revenues (Expenses)	<u>(22,937)</u>	<u>(47,342)</u>	<u>(24,405)</u>	<u>(50,218)</u>
Net Income (Loss) Before Transfers	<u>(63,165)</u>	<u>35,335</u>	<u>98,500</u>	<u>79,043</u>
Other Financing Sources (Uses)				
Transfers In	20,000	20,000		20,000
Transfers Out	(2,055)	(2,055)		(2,055)
Total Other Financing Sources (Uses)	<u>17,945</u>	<u>17,945</u>	<u>-</u>	<u>17,945</u>
Net Income (Loss) (Budgetary Basis)	<u>\$ (45,220)</u>	<u>53,280</u>	<u>98,500</u>	<u>96,988</u>
Adjustments to GAAP Basis				
Debt Principal Payment		35,406		37,105
Capitalized Assets		62,036		
Depreciation		(460,810)		(451,711)
		<u>(363,368)</u>		<u>(414,606)</u>
Net Loss - GAAP Basis		(310,088)		(317,618)
Net Position				
Beginning		<u>10,700,707</u>		<u>11,018,325</u>
Ending		<u>10,390,619</u>		<u>10,700,707</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Refuse and Recycling Fund (Major Fund)

Statement of Net Position

April 30, 2013

---

---

	<u>2013</u>
Assets	
Current Assets	
Accounts Receivable, Net of Allowance for Uncollectible Accounts	<u>\$ 56,572</u>
Liabilities	
Current Liabilities	
Accounts Payable	25,271
Due to Other Funds	<u>5,910</u>
Total Current Liabilities	<u>31,181</u>
Net Position	
Unrestricted	<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, 2013

	2013		Variance
	Budget	Actual	Over (Under)
Operating Revenues			
Charges for Services	\$ 320,086	322,194	2,108
Operating Expenses			
Services	295,245	296,803	1,558
Net Income (Budgetary Basis)	<u>\$ 24,841</u>	25,391	<u>550</u>
Net Position			
Beginning			
Ending		<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, 2013 (With Comparative Prior Year)

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 41,637	45,126
Prepaid Expenses	1,134	1,164
Total Current Assets	<u>42,771</u>	<u>46,290</u>
Liabilities		
Current Liabilities		
Accounts Payable	<u>2,863</u>	<u>6,903</u>
Net Position		
Unrestricted	<u>\$ 39,908</u>	<u>39,387</u>

**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, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Budget	Actual		
Operating Revenues				
Charges for Services	\$ 80,000	87,093	7,093	86,417
Operating Expenses				
Commodities	20,000	27,442	7,442	14,397
Services	56,377	57,151	774	55,137
Capital Outlay	3,500	2,136	(1,364)	553
Total Operating Expenses	79,877	86,729	6,852	70,087
Operating Income	123	364	241	16,330
Nonoperating Revenues				
Investment Income	75	157	82	125
Net Income	<u>\$ 198</u>	521	<u>323</u>	16,455
Net Position				
Beginning		<u>39,387</u>		<u>22,932</u>
Ending		<u>39,908</u>		<u>39,387</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, 2013 (With Comparative Actual)

	2013		Variance Over (Under)	2012 Actual
	Budget	Actual		
<b>Additions</b>				
<b>Contributions</b>				
Employer	\$ 185,000	185,000		167,000
Participants	55,100	62,265	7,165	53,100
<b>Total Contributions</b>	<u>240,100</u>	<u>247,265</u>	<u>7,165</u>	<u>220,100</u>
<b>Investment Income</b>				
Investment Income	57,500	79,016	21,516	96,753
Less Investment Expenses	(6,500)	(9,473)	(2,973)	(6,353)
<b>Total Investment Income</b>	<u>51,000</u>	<u>69,543</u>	<u>18,543</u>	<u>90,400</u>
<b>Total Additions</b>	<u>291,100</u>	<u>316,808</u>	<u>25,708</u>	<u>310,500</u>
<b>Deductions</b>				
Benefits	107,375	108,508	1,133	104,736
Administration	1,500	632	(868)	1,517
<b>Total Deductions</b>	<u>108,875</u>	<u>109,140</u>	<u>265</u>	<u>106,253</u>
<b>Change in Net Position</b>	<u>\$ 182,225</u>	207,668	<u>25,973</u>	204,247
<b>Net Position</b>				
Beginning		<u>1,785,656</u>		<u>1,581,409</u>
Ending		<u>1,993,324</u>		<u>1,785,656</u>

VILLAGE OF PALOS PARK, ILLINOIS

Agency Funds

Schedule of Changes in Assets and Liabilities  
Year Ended April 30, 2013

	Balances May 1	Additions	Deletions	Balances April 30
<b>SPECIAL ASSESSMENT FUND #9</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 121,338	(6)		121,332
<b>Liabilities</b>				
Due to Bondholders	\$ 121,338	(6)		121,332
<b>SPECIAL ASSESSMENT FUND #11</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 91,990	(5)		91,985
<b>Liabilities</b>				
Due to Bondholders	\$ 91,990	(5)		91,985
<b>SPECIAL ASSESSMENT FUND #12</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 182,509	(9)		182,500
<b>Liabilities</b>				
Due to Bondholders	\$ 182,509	(9)		182,500
<b>SPECIAL ASSESSMENT FUND #93-1</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 548,588	(200)	30	548,358
<b>Liabilities</b>				
Due to Bondholders	\$ 548,588	(200)	30	548,358
<b>SPECIAL ASSESSMENT FUND #96-1A</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 123,050	71,865	16,725	178,190
<b>Liabilities</b>				
Due to Bondholders	\$ 123,050	71,865	16,725	178,190

(Cont.)

**VILLAGE OF PALOS PARK, ILLINOIS**

Agency Funds

Schedule of Changes in Assets and Liabilities  
Year Ended April 30, 2013

	Balances May 1	Additions	Deletions	Balances April 30
<b>SPECIAL ASSESSMENT FUND #96-1B</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 422,084	172,266	223,953	370,397
<b>Liabilities</b>				
Due to Bondholders	\$ 422,084	172,266	223,953	370,397
<b>SPECIAL ASSESSMENT FUND #13A</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 351,175	70,585	91,484	330,276
<b>Liabilities</b>				
Due to Bondholders	\$ 351,175	70,585	91,484	330,276
<b>SPECIAL ASSESSMENT FUND #13B</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 751,800	201,366	244,139	709,027
<b>Liabilities</b>				
Due to Bondholders	\$ 751,800	201,366	244,139	709,027
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 2,592,534	515,862	576,331	2,532,065
<b>Liabilities</b>				
Due to Bondholders	\$ 2,592,534	515,862	576,331	2,532,065

**COMPONENT UNIT  
PALOS PARK PUBLIC LIBRARY**

**VILLAGE OF PALOS PARK, ILLINOIS**

Palos Park Public Library - Component Unit

Schedule of Net Position and  
Governmental Funds Balance Sheet  
April 30, 2013

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and Cash Equivalents	\$ 674,584		674,584
Receivables			
Property Taxes, Net of Allowance for Uncollectibles	209,796		209,796
Grants	4,981		4,981
Capital Assets Not Being Depreciated		10,700	10,700
Capital Assets Being Depreciated, Net of Accumulated Depreciation		181,564	181,564
<b>Total Assets</b>	<b>\$ 889,361</b>	<b>192,264</b>	<b>1,081,625</b>
<b>Liabilities</b>			
Wages Payable	\$ 6,570		6,570
Due to Primary Government	2,699		2,699
Compensated Absences		6,866	6,866
<b>Total Liabilities</b>	<b>9,269</b>	<b>6,866</b>	<b>16,135</b>
<b>Deferred Inflows of Resources</b>			
Unearned Revenue - Property Taxes	200,927		200,927
<b>Fund Balances</b>			
Net Investment in Capital Assets		192,264	192,264
Reserved for Culture and Recreation	679,165	(6,866)	672,299
<b>Total Fund Balances</b>	<b>679,165</b>	<b>185,398</b>	<b>864,563</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>	<b>\$ 889,361</b>	<b>192,264</b>	<b>1,081,625</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

Palos Park Public Library - Component Unit

Schedule of Revenues, Expenditures and Changes  
in Fund Balance/Net Position  
Year Ended April 30, 2013

	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Property Taxes	\$ 385,070		385,070
Personal Property Replacement Taxes	4,990		4,990
Grants	4,981		4,981
Fees for Service	18,467		18,467
Fines	3,267		3,267
Investment Income	9,202		9,202
Other Income	7,829		7,829
Total Revenues	433,806	-	433,806
<b>Expenditures</b>			
Current			
Culture and Recreation			
Wages	205,533	(36)	205,497
Fringe Benefits	57,824		57,824
Insurance	9,425		9,425
Contractual Services	92,118		92,118
Commodities	58,514		58,514
Capital Outlay	4,151		4,151
Depreciation		11,321	11,321
Total Expenditures	427,565	11,285	438,850
Net Change in Fund Balance/Net Position	6,241	(11,285)	(5,044)
<b>Fund Balance/Net Position</b>			
May 1	672,924	196,683	869,607
April 30	\$ 679,165	185,398	864,563

**VILLAGE OF PALOS PARK, ILLINOIS**

Palos Park Public Library - Component Unit - General Fund

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
Year Ended April 30, 2013 (With Comparative Prior Year Actual)

	2013		Variance Over (Under)	2012 Actual
	Budget	Actual		
<b>Revenues</b>				
Property Taxes	\$ 399,000	385,070	(13,930)	382,109
Personal Property Replacement Taxes	5,600	4,990	(610)	5,033
Grants	4,900	4,981	81	4,971
Fees for Service	16,900	18,467	1,567	22,149
Fines	3,500	3,267	(233)	3,458
Investment Income	11,050	9,202	(1,848)	15,764
Other Income	22,650	7,829	(14,821)	7,269
<b>Total Revenues</b>	<b>463,600</b>	<b>433,806</b>	<b>(29,794)</b>	<b>440,753</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Culture and Recreation</b>				
Wages	203,000	205,533	2,533	195,968
Fringe Benefits	65,500	57,824	(7,676)	57,688
Insurance	10,000	9,425	(575)	8,290
Contractual Services	110,200	92,118	(18,082)	109,258
Commodities	67,900	58,514	(9,386)	55,006
Capital Outlay	7,000	4,151	(2,849)	411
<b>Total Expenditures</b>	<b>463,600</b>	<b>427,565</b>	<b>(36,035)</b>	<b>426,621</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>6,241</b>	<b>6,241</b>	<b>14,132</b>
<b>Fund Balance</b>				
May 1		<u>672,924</u>		<u>658,792</u>
April 30		<u>679,165</u>		<u>672,924</u>

**SUPPLEMENTAL INFORMATION**

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2002 Certificates  
April 30, 2013

---

---

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
2014	\$ 23,000	4,807	27,807
2015	24,000	3,715	27,715
2016	25,000	2,551	27,551
2017	26,000	1,313	27,313
	<u>\$ 98,000</u>	<u>12,386</u>	<u>110,386</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2004 General Obligation Alternate Revenue Bonds  
April 30, 2013

---

---

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
2014	\$ 30,000	9,225	39,225
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>\$ 240,000</u>	<u>39,287</u>	<u>279,287</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2005 General Obligation Alternate Revenue Bonds  
April 30, 2013

---

---

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
2014	\$ 35,000	9,555	44,555
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>\$ 245,000</u>	<u>38,710</u>	<u>283,710</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2006 Certificates  
 April 30, 2013

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
2014	\$ 25,000	18,540	43,540
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
	<b>\$ 445,000</b>	<b>144,848</b>	<b>589,848</b>

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2010 Refunding Certificates  
April 30, 2013

---

---

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
2014	\$ 215,000	12,125	227,125
2015	225,000	6,750	231,750
	<u>\$ 440,000</u>	<u>18,875</u>	<u>458,875</u>

**VILLAGE OF PALOS PARK, ILLINOIS**

Long-Term Debt Requirements

Series 2010 General Obligation Alternate Revenue Bonds  
 April 30, 2013

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
2014	\$ 65,000	59,140	124,140
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>\$ 1,570,000</u>	<u>630,473</u>	<u>2,200,473</u>

**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.

<b><u>CONTENTS</u></b>	<b><u>PAGES</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	<b>99-108</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue sources, the sales tax and property tax.	<b>109-115</b>
<b>Debt Capacity</b> 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.	<b>116-122</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	<b>123-124</b>
<b>Operating Information</b> 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.	<b>125-129</b>

*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 Nine Fiscal Years

---

(See Following Page)

**VILLAGE OF PALOS PARK, ILLINOIS**

Net Position by Component

Last Nine Fiscal Years

Fiscal Year	2013	2012	2011	2010
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 3,833,183	3,585,298	3,466,820	3,273,865
Restricted	1,300,144	1,202,700	841,928	191,552
Unrestricted	1,427,640	1,484,791	1,719,120	1,390,918
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,560,967</b>	<b>6,272,789</b>	<b>6,027,868</b>	<b>4,856,335</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 19,433,528	20,116,269	20,857,596	22,337,788
Unrestricted	2,531,844	2,355,704	1,993,789	803,652
<b>Total Business-Type Activities Net Position</b>	<b>\$ 21,965,372</b>	<b>22,471,973</b>	<b>22,851,385</b>	<b>23,141,440</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 23,266,711	23,701,567	24,324,416	25,611,653
Restricted	1,300,144	1,202,700	841,928	191,552
Unrestricted	3,959,484	3,840,495	3,712,909	2,194,570
<b>Total Primary Government Net Position</b>	<b>\$ 28,526,339</b>	<b>28,744,762</b>	<b>28,879,253</b>	<b>27,997,775</b>

Data Source

Audited Financial Statements

2009	2008	2007	2006	2005
3,292,655	3,151,308	2,997,346	2,108,522	1,640,412
127,819	122,866	150,945	142,385	150,159
1,351,511	1,532,600	1,523,471	1,632,543	1,574,192
4,771,985	4,806,774	4,671,762	3,883,450	3,364,763
21,891,367	21,036,524	21,036,524	20,981,990	21,907,584
1,616,093	1,807,134	1,807,134	1,546,673	1,041,517
23,507,460	22,843,658	22,843,658	22,528,663	22,949,101
25,184,022	24,187,832	24,033,870	23,090,512	23,547,996
127,819	122,866	150,945	142,385	150,159
2,967,604	3,339,734	3,330,605	3,179,216	2,615,709
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 Nine Fiscal Years

Fiscal Year	2013	2012	2011	2010
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 702,364	711,048	675,072	777,949
Public Safety	2,076,275	1,930,667	1,861,070	1,873,156
Public Works	480,874	637,683	537,325	578,961
Building and Public Grounds	552,790	782,039	568,127	596,335
Cultural and Recreation	364,858	296,926	280,567	309,727
Solid Waste		286,300	276,741	263,727
Interest	43,988	49,317	55,392	76,830
Total Governmental Activities Expenses	<u>4,221,149</u>	<u>4,693,980</u>	<u>4,254,294</u>	<u>4,476,685</u>
<b>Business-Type Activities</b>				
Water	2,022,774	1,732,837	1,656,522	1,543,690
Sewer	846,116	821,286	817,699	837,692
Refuse and Recycling	296,803			
Commuter Lot	86,729	70,087	76,703	72,485
Total Business-Type Activities Expenses	<u>3,252,422</u>	<u>2,624,210</u>	<u>2,550,924</u>	<u>2,453,867</u>
<b>Total Primary Government Expenses</b>	<u>\$ 7,473,571</u>	<u>7,318,190</u>	<u>6,805,218</u>	<u>6,930,552</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	\$ 468,961	497,891	467,002	284,670
Public Safety	124,343	75,920	843,639	319,211
Public Works	12,583	12,530	9,852	4,500
Building and Public Grounds	242,355	210,579	230,715	244,904
Cultural and Recreation	171,763	157,271	161,816	172,160
Solid Wastes		314,705	303,628	274,995
Operating Grants and Contributions	202,430	274,280	154,832	128,535
Capital Grants and Contributions				14,020
Total Governmental Activities Program Revenues	<u>1,222,435</u>	<u>1,543,176</u>	<u>2,171,484</u>	<u>1,442,995</u>
<b>Business-Type Activities</b>				
<b>Charges for Services</b>				
Water	1,842,878	1,670,509	1,671,072	1,465,267
Sewer	517,625	485,395	497,818	465,038
Refuse and Recycling	322,194			
Commuter Lot	87,093	86,417	82,105	82,303
Operating Grants and Contributions			2,358	
Capital Grants and Contributions				
Total Business-Type Activities Program Revenues	<u>2,769,790</u>	<u>2,242,321</u>	<u>2,253,353</u>	<u>2,012,608</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 3,992,225</u>	<u>3,785,497</u>	<u>4,424,837</u>	<u>3,455,603</u>
<b>Net Revenue (Expense)</b>				
Governmental Activities	\$ (2,998,714)	(3,150,804)	(2,082,810)	(3,033,690)
Business-Type Activities	(482,632)	(381,889)	(297,571)	(441,259)
<b>Total Primary Government Net Revenue (Expense)</b>	<u>\$ (3,481,346)</u>	<u>(3,532,693)</u>	<u>(2,380,381)</u>	<u>(3,474,949)</u>

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

**VILLAGE OF PALOS PARK, ILLINOIS**

Changes in Net Position (Cont.)

Last Nine Fiscal Years

Fiscal Year	2013	2012	2011	2010
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
<b>Taxes</b>				
Property	1,212,953	1,206,448	1,232,400	1,179,055
Sales	846,009	855,009	836,166	785,862
Income	436,814	393,386	365,586	372,418
Utility	507,016	535,051	547,238	554,177
Other	233,195	243,637	239,702	179,842
Investment Income	6,034	14,298	13,018	5,403
Miscellaneous	39,355	29,815	20,233	41,283
Gain of Sale of Capital Assets	1,406	3,971		
Gain on Sale of Easements		110,000		
Contributions				
Transfers In	4,110	4,110		
<b>Total Governmental Activities</b>	<b>3,286,892</b>	<b>3,395,725</b>	<b>3,254,343</b>	<b>3,118,040</b>
<b>Business-Type Activities</b>				
Investment Income	2,574	6,587	7,516	3,894
Miscellaneous	14,364			71,345
Transfers Out	(4,110)	(4,110)		
<b>Total Business-Type Activities</b>	<b>12,828</b>	<b>2,477</b>	<b>7,516</b>	<b>75,239</b>
<b>Total Primary Government</b>	<b>\$ 3,299,720</b>	<b>3,398,202</b>	<b>3,261,859</b>	<b>3,193,279</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 288,178	244,921	1,171,533	84,350
Business-Type Activities	(469,804)	(379,412)	(290,055)	(366,020)
<b>Total Primary Government Change in Net Position</b>	<b>\$ (181,626)</b>	<b>(134,491)</b>	<b>881,478</b>	<b>(281,670)</b>

Data Source

Audited Financial Statements

2009	2008	2007	2006	2005
1,053,410	1,014,455	956,234	899,096	863,244
858,847	943,390	890,588	849,185	686,106
427,237	431,732	395,205	358,296	317,444
620,803	603,983	558,092	654,620	569,752
152,995	151,077	147,006	187,788	182,782
30,646	65,619	90,893	48,715	29,452
39,587	80,661	59,050	62,566	42,970
			8,297	11,461
				7,005
3,183,525	3,290,917	3,097,068	3,068,563	2,710,216
30,254	87,519	93,701	50,846	22,684
136,228	152,630	487,492	305,825	355,993
166,482	240,149	581,193	356,671	378,677
3,350,007	3,531,066	3,678,261	3,425,234	3,088,893
(34,789)	135,012	788,726	515,187	228,453
(872,512)	1,536,314	314,995	(420,438)	(325,250)
(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	2013	2012	2011	2010
General Fund				
Nonspendable	\$ 62,707	63,632		
Unassigned	1,452,159	1,336,321		
Reserved			60,215	58,168
Unreserved			1,123,958	922,908
Total General Fund	1,514,866	1,399,953	1,184,173	981,076
All Other Governmental Funds				
Restricted	1,300,144	1,202,700		
Assigned	127,629	202,005		
Reserved			841,928	195,372
Unreserved				
Special Revenue Funds			48,281	90,143
Capital Projects Funds			635,138	491,926
Total All Other Governmental Funds	1,427,773	1,404,705	1,525,347	777,441
Total Governmental Funds	\$ 2,942,639	2,804,658	2,709,520	1,758,517

Data Source

Audited Financial Statements

2009	2008	2007	2006	2005	2004
53,247	81,614	40,754	39,324	65,256	56,087
1,017,976	1,181,635	1,329,466	1,326,285	1,321,404	1,382,425
1,071,223	1,263,249	1,370,220	1,365,609	1,386,660	1,438,512
127,819	122,866	150,945	142,385	145,325	307,717
150,721	136,550	127,168	145,173	144,606	92,026
413,848	464,760	387,106	297,920	201,989	51,442
692,388	724,176	665,219	585,478	491,920	451,185
1,763,611	1,987,425	2,035,439	1,951,087	1,878,580	1,889,697

**VILLAGE OF PALOS PARK, ILLINOIS**

Changes in Fund Balances of Government Funds

Last Ten Fiscal Years

Fiscal Year	2013	2012	2011	2010	2009
<b>Revenues</b>					
Taxes	\$ 2,133,625	3,233,531	3,221,092	3,071,354	3,113,292
Licenses and Permits	459,802	482,653	471,279	467,581	482,959
Intergovernmental	1,305,910	275,619	163,410	147,732	217,936
Charges for Services	59,346	49,747	40,464	50,405	79,528
Fees by Agreement	379,232	660,796	652,044	619,316	609,133
Fines and Forfeitures	120,507	74,361	844,287	154,210	110,902
Investment Income	6,034	14,298	13,018	5,403	30,646
Miscellaneous	39,355	29,815	20,233	35,034	47,071
Total Revenues	4,503,811	4,820,820	5,425,827	4,551,035	4,691,467
<b>Expenditures</b>					
<b>Current</b>					
General Government (Administration)	604,675	609,448	674,934	736,570	712,090
Public Affairs					
Public Safety (Police)	1,960,561	1,869,168	1,863,219	1,789,273	1,873,619
Public Works	515,661	570,036	509,153	533,843	553,425
Building					
Building and Public Grounds	550,995	793,050	568,127	593,998	779,371
Culture and Recreation	356,397	288,737	272,696	301,616	309,125
Public Grounds					
Finance					
Solid Waste		286,300	276,741	263,727	252,592
Other					
Capital Outlay	63,830	100,739	34,015	23,157	120,288
<b>Debt Service</b>					
Principal Retirement	275,239	274,553	258,555	282,279	282,256
Interest and Other Charges	43,988	51,732	54,684	97,141	106,693
Total Expenditures	4,371,346	4,843,763	4,512,124	4,621,604	4,989,459
Excess (Deficiency) of Revenues over Expenditures	132,465	(22,943)	913,703	(70,569)	(297,992)
<b>Other Financing Sources (Uses)</b>					
Transfers In	118,220	138,220	171,182	266,116	132,072
Proceeds from Sale of Capital Assets	1,406	3,971		1,259	42,862
Proceeds from Sale of Easements		110,000			
Installment Contracts Issued				1,085,000	31,316
Premium/Discount on Installment Contracts				12,207	
Capital Lease Issued			37,300		
Payment to Escrow Agent				(1,032,991)	
Transfers Out	(114,110)	(134,110)	(171,182)	(266,116)	(132,072)
Total Other Financing Sources (Uses)	5,516	118,081	37,300	65,475	74,178
Net Change in Fund Balance	\$ 137,981	95,138	951,003	(5,094)	(223,814)
Debt Service as a Percentage of Noncapital Expenditures	7.62%	6.80%	6.99%	8.25%	8.02%

Data Source

Audited Financial Statements

2008	2007	2006	2005	2004
3,144,638	2,947,124	2,907,333	2,563,659	2,344,198
653,044	505,647	415,187	389,771	292,189
159,700	210,353	400,799	167,812	193,442
98,185	141,641	148,983	159,928	104,510
620,443	596,859	541,766	442,099	404,099
187,507	111,170	181,181	231,214	116,997
65,619	90,893	48,721	29,450	10,421
91,261	59,050	68,798	73,197	403,751
5,020,397	4,662,737	4,712,768	4,057,130	3,869,607
808,306	776,445	752,113	723,405	490,377
				56,664
1,871,600	1,605,648	1,630,788	1,463,156	1,339,684
524,083	403,892	409,751	346,111	319,494
				227,452
661,585	637,357	719,372	512,704	
304,706	290,774	325,699	255,021	227,598
				86,916
				175,206
245,040	235,692	224,678	206,672	184,618
				1,380
239,689	911,786	349,064	109,859	251,323
293,506	271,192	252,000	36,000	91,278
123,135	115,774	107,006	107,602	109,156
5,071,650	5,248,560	4,770,471	3,760,530	3,561,146
(51,253)	(585,823)	(57,703)	296,600	308,461
122,358	60,200	89,973	250,000	127,000
3,239	16,576	17,281		
	653,599	109,429		
(122,358)	(60,200)	(89,973)	(250,000)	(50,000)
3,239	670,175	126,710	-	77,000
(48,014)	84,352	69,007	296,600	385,461
8.40%	8.54%	8.12%	3.93%	6.00%

## **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
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
2003	143,334,047	44,353	17,880,331	5,909,787	63,808	167,232,326

#### 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
0.5550	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
0.5012	501,696,978	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	
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
2003	0.335	0.052	0.083	0.042	0.513

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.

<sup>(1)</sup> 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.

<sup>(2)</sup> Only some Village residents are within the S. Palos Sanitary District.

Data Source

---



---

Overlapping Debt <sup>(1)</sup>

---

School Districts	Library	County	Fire Protection District	Township	S. Palos Sanitary District <sup>(2)</sup>	MWRD
5.527	N/A	0.608	1.047	0.108	0.361	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
5.221	0.163	0.735	0.686	0.088	0.265	0.361

**VILLAGE OF PALOS PARK, ILLINOIS**

Principal Property Taxpayers

Current Fiscal Year and Ten Years Ago

Taxpayer	Type of Business	2013		Percentage of Total Equalized Assessed Valuation
		Equalized Assessed Valuation*	Rank	
IRC	Supermarket	\$ 6,943,857	1	3.10 %
Sunrise Senior Living	Commercial Property with Special Improvements	5,826,549	2	2.60
James Marth	Shopping Center (Mill Creek Center)	2,302,469	3	1.03
RDK Ventures	Gasoline Station	1,979,006	4	0.88
Inter Cont'l 131st Palos Park	Shopping Center	1,226,892	5	0.55
Walgreens	One-Story Store	1,203,226	6	0.54
Alfredo Veltri	Shopping Center (Palos Park Plaza)	791,171	7	0.35
Taxpayer	Residence	785,088	8	0.35
Taxpayer	Residence	707,311	9	0.32
Taxpayer	Residence	699,257	10	0.31
Commonwealth Edison	Utility			
Ameritech Illinois	Utility			
Hackneys on Lake, Inc.	Restaurant			
		<u>\$ 22,464,826</u>		<u>10.03 %</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

2003		
Equalized Assessed Valuation	Rank	Percentage of Total Equalized Assessed Valuation
6,347,019	1	4.93 %
1,910,791	3	1.48
2,019,654	2	1.57
1,521,700	4	1.18
1,449,217	5	1.12
662,388	8	0.51
597,102	9	0.46
1,113,527	6	0.86
857,097	7	0.67
581,085	10	0.45
<u>17,059,580</u>		<u>13.23 %</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	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$1,243,590	626,374	50.37 %	N/A	626,374	50.37 %
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	403,365	41.17	611,090	1,014,455	103.55
2006	925,966	441,027	47.63	479,332	920,359	99.39
2005	866,872	358,504	41.36	509,995	868,499	100.19
2004	839,186	276,747	32.98	565,457	842,204	100.36

*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.

Data Source

Office of the Cook County Treasurer's Office  
[www.tae.cookcountytreasurer.com](http://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	
2013	\$	1,008,300	2,055,000		207,781	3,271,081
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 123 for personal income and population data.

---

---

Percentage of Personal Income*	Debt per Capita*
0.76%	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
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
2004	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 109 and 110 for property value data.

**VILLAGE OF PALOS PARK, ILLINOIS**

Direct and Overlapping General Obligation Bonded Debt

April 30, 2013

Governmental Unit	2012 Equalized Assessed Valuation <sup>(1)</sup>	Outstanding Bonds	Applicable to Village	
			Amount	Percent
<b>Direct Debt</b>				
Village of Palos Park	\$ 224,070,224	(1)	<u>3,294,666</u>	100.000 %
<b>Overlapping Debt</b>				
Cook County	136,176,024,327	3,706,435,000	6,107,427	0.1648
Cook County Forest Preserve District	136,176,024,327	131,500,000 <sup>(1)</sup>	216,684	0.1648
Metropolitan Water Reclamation District	133,397,995,365	2,492,761,543 <sup>(2)</sup>	4,192,901	0.1682
South Palos Twp. Sanitary District	56,929,605	746,000	43,151	5.7843
<b>School Districts</b>				
Community Consolidated School District #118	801,653,268	7,910,000	2,210,456	27.9451
High School District #230	4,696,399,987	57,515,000	2,743,074	4.7693
Community College #524	9,896,006,401	77,670,000 <sup>(1)</sup>	<u>1,761,771</u>	2.2683
			<u>17,275,464</u>	
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>			<u><u>20,570,130</u></u>	

*Notes:*

<sup>(1)</sup> Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

<sup>(2)</sup> 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	2013	2012	2011	2010
Legal Debt Limit	\$ 19,326,057	26,014,985	25,511,830	23,611,027
Total Net Debt Applicable to Limit	2,055,000	2,175,000	2,295,000	660,000
Legal Debt Margin	\$ 17,271,057	23,839,985	23,216,830	22,951,027
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2%	2%	2%	3%

Legal Debt Margin Calculation for Fiscal 2013

Assessed Value	\$ 224,070,224
Legal Debt Margin	<u>8.625%</u>
Debt Limit	19,326,057
Debt Applicable to Limit General Obligation Bonds	<u>2,055,000</u>
Legal Debt Margin	<u>\$ 17,271,057</u>

*Notes:*

In FY04 Special Assessment debt was deemed to be non-commitment debt IAW GASB5-6 as they are not an obligation of the Village and are secured by the levy of special assessments on real property.

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

2009	2008	2007	2006	2005	2004
22,796,927	20,145,035	18,946,163	18,450,976	15,202,530	14,423,788
715,000	770,000	825,000	875,000	450,000	
22,081,927	19,375,035	18,121,163	17,575,976	14,752,530	14,423,788
3%	4%	4%	5%	3%	0%

**VILLAGE OF PALOS PARK, ILLINOIS**

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	Water/Sewer Revenue Bonds					
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 2,332,944	1,846,347	486,597	161,322	95,023	1.90
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
2004	1,076,176	1,280,283	(204,107)	32,500	19,962	

*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
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%
2004	4,689	367,852,050	78,450	6.30%

#### 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 2008 and 1999

Employer	2008		1999	
	Rank	Percent of Total Village Population	Rank	Percent of Total Village Population
Holy Family Villa	1	4.52%		
Jewel	2	4.27%	1	4.76%
Sunrise Assisted Living	3	2.13%		
Village of Palos Park	4	1.30%	3	1.31%
Osco	5	1.28%	2	1.43%
Walgreens	6	1.07%		
Francesca's	7	1.07%	4	1.19%
Hackney's	8	0.58%	5	0.64%
Starbucks	9	0.32%		
McDivott's	10	0.32%	6	0.17%
N/A			7	
N/A			8	
N/A			9	
N/A			10	

N/A - Not Available

*Note:*

2008 is most recent information available.

## **OPERATING INFORMATION**

**VILLAGE OF PALOS PARK, ILLINOIS**

Full-Time Equivalent Employees

Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GENERAL GOVERNMENT</b>										
Administration	4.3	4.3	4.3	4.3	5.3	5.3	5.3	5.0	5.5	5.5
Building and Zoning	3.5	3.5	3.5	3.5	3.5	4.0	3.6	3.0	3.0	2.0
Finance	1.5	2.0	2.0	2.0	3.3	3.0	3.0	3.1	3.1	2.1
Police										
Officers FT	9.0	9.0	9.0	10.0	10.0	10.0	10.0	11.0	10.0	10.0
Officers PT	24.0	23.0	22.0	20.0	16.0	15.0	15.0	14.0	12.0	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	4.3	3.9	2.3	2.3	2.8
Sewer Department	1.4	1.4	1.4	1.4	1.4	1.6	1.3	1.3	1.3	1.3
Street Maintenance	4.5	3.5	4.5	4.5	5.0	4.4	3.1	3.1	2.3	2.5
Recreation	3.0	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.0	2.8

Data Source

Village Finance Department Payroll

**VILLAGE OF PALOS PARK, ILLINOIS**

Operating Indicators

Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009
<b>PUBLIC SAFETY</b>					
Police <sup>(1)</sup>					
Physical Arrests	183	186	217	170	242
Parking Violations	982	987	1,307	1,209	1,573
Traffic Violations	953	885	1,383	1,213	1,570
<b>PUBLIC WORKS</b>					
Streets Resurfacing (Miles)	0.80	0.66		0.25	1.01
Pothole Repairs	80-140	50-75	75-150	50-75	75-100
<b>WATER</b>					
New Connections		4	6	8	7
Water Main Breaks	4	7	2	2	15
Average Daily Consumption <sup>(2)</sup>	501,000	474,000	404,000	416,134	489,000
Peak Demand	823,000	969,000	906,000	850,000	837,000

*Notes:*

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

<sup>(2)</sup> Average gallons per day.

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

Data Source

Appropriate Village Departmental Directors

2008	2007	2006	2005	2004
285	251	333	361	431
1,757	4	994	808	694
1,711	3	1,674	1,611	2,145
1.01	1.01	1.60	1.00	2.00
75-120	50-75	50-75	50-75	50-75
27	3	42	25	25
12	4	10	14	10
427,827	389,884	472,000	538,000	483,000
987,000	1,015,000	980,000	963,000	910,000

## VILLAGE OF PALOS PARK, ILLINOIS

### Capital Asset Statistics

#### Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009
<b>PUBLIC SAFETY</b>					
Police					
Stations	1	1	1	1	1
Patrol Units	8	8	8	8	7
<b>PUBLIC WORKS</b>					
Residential Streets (Miles)	14.70	14.70	14.70	14.70	14.70
<b>WATER</b>					
Water Mains (Miles)	52.24	52.24	52.24	52.24	51.08
Fire Hydrants	731	730	730	730	730
Storage Capacity (Gallons)	1,300,000	1,300,000	1,300,000	800,000	800,000
<b>WASTEWATER</b>					
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

2008	2007	2006	2005	2004
1 8	4 3	1 7	1 7	1 7
14.70	14.70	14.70	14.70	14.70
50.58 726 800,000	3.90 1 3 3.5	50.58 722 800,000	50.58 716 800,000	50.31 716 800,000
39.27 7.67	39.27 7.67	39.27 7.48	38.70 7.29	38.70 7.18