

VILLAGE OF PALOS PARK, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2008

Prepared by the Finance Department

VILLAGE OF PALOS PARK, ILLINOIS  
TABLE OF CONTENTS

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials.....	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal.....	iv-xii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT.....	1-2
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities.....	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances.....	8-9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	10

VILLAGE OF PALOS PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets.....	11
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	12
Statement of Cash Flows .....	13-14

Fiduciary Funds

Statement of Fiduciary Net Assets .....	15
Statement of Changes in Fiduciary Net Assets.....	16

Notes to Financial Statements.....	17-48
------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	49-50
---	-------

Notes to Required Supplementary Information.....	51
--	----

Schedule of Funding Progress

Illinois Municipal Retirement Fund.....	52
Police Pension Fund.....	53

Schedule of Employer Contributions

Illinois Municipal Retirement Fund.....	54
Police Pension Fund.....	55

VILLAGE OF PALOS PARK, ILLINOIS  
 TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund

Balance Sheet .....	56
Schedule of Expenditures - Budget and Actual.....	57-59

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet .....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	61

Nonmajor Special Revenue Funds

Combining Balance Sheet .....	62-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	64-65

Motor Fuel Tax Fund

Balance Sheet .....	66
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	67

Police Forfeiture Fund

Balance Sheet .....	68
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	69

Business District Development Fund

Balance Sheet .....	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	71

VILLAGE OF PALOS PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Special Revenue Funds (Continued)

Exaction Fee Fund

Balance Sheet ..... 72

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual ..... 73

Fine Arts Fund

Balance Sheet ..... 74

Schedule of Revenues, Expenditures and  
Changes in Fund Balance ..... 75

Portico Court Fund

Balance Sheet ..... 76

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual ..... 77

Land Acquisition and Recreation Fund

Balance Sheet ..... 78

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual ..... 79

Nonmajor Capital Projects Funds

Combining Balance Sheet ..... 80

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual ..... 81

Capital Improvements Fund

Balance Sheet ..... 82

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual ..... 83

½% Sales Tax Fund

Balance Sheet ..... 84

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual ..... 85

VILLAGE OF PALOS PARK, ILLINOIS  
 TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL  
 STATEMENTS AND SCHEDULES (Continued)

PROPRIETARY FUNDS

Major Enterprise Funds

Water Fund

Statement of Net Assets.....	86
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual .....	87-88

Sewer Maintenance Fund

Statement of Net Assets.....	89
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual .....	90-91

Nonmajor Enterprise Funds

Commuter Parking Lot Fund

Statement of Net Assets.....	92
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual .....	93

FIDUCIARY FUNDS

Trust and Agency Funds

Schedule of Changes in Plan Net Assets - Budget and Actual - Police Pension Fund.....	94
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	95-96

COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY

Statement of Net Assets and Governmental Funds Balance Sheet .....	97
Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance/Net Assets - General Fund .....	98
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund .....	99

VILLAGE OF PALOS PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)

SUPPLEMENTAL DATA

Long-Term Debt Requirements

Series 2000 Certificates .....	100
Series 2002 Certificates .....	101
Series 2004 General Obligation Alternate Revenue Bonds.....	102
Series 2005 General Obligation Alternate Revenue Bonds.....	103
Series 2006 Certificates .....	104

STATISTICAL SECTION

Financial Trends

Net Assets by Component.....	105
Change in Net Assets .....	106-107
Fund Balances of Governmental Funds.....	108
Changes in Fund Balances of Governmental Funds .....	109-110

Revenue Capacity

Assessed Value and Actual Value of Taxable Property.....	111
Direct and Overlapping Property Tax Rates .....	112
Principal Property Taxpayers .....	113
Property Tax Levies and Collections.....	114

Debt Capacity

Ratios of Outstanding Debt by Type.....	115
Ratios of General Bonded Debt Outstanding .....	116
Direct and Overlapping General Obligation Bonded Debt .....	117
Legal Debt Margin Information .....	118
Pledged Revenue Coverage .....	119

Demographic and Economic Information

Demographic and Economic Information .....	120
Principal Employers .....	121

Operating Information

Full-Time Equivalent Employees .....	122
Operating Indicators.....	123
Capital Asset Statistics .....	124

## **INTRODUCTORY SECTION**

**VILLAGE OF PALOS PARK, ILLINOIS  
OFFICERS AND OFFICIALS  
YEAR ENDED APRIL 30, 2008**

**MAYOR**

John F. Mahoney

**BOARD OF COMMISSIONERS**

Dan Polk, Commissioner of Public Health and Safety

Mary A. O'Connor, Commissioner of Accounts and Finance

James Pavlatos, Commissioner of Building and Public Property

Nicole Milovich-Walters, Commissioner of Public Works and Streets

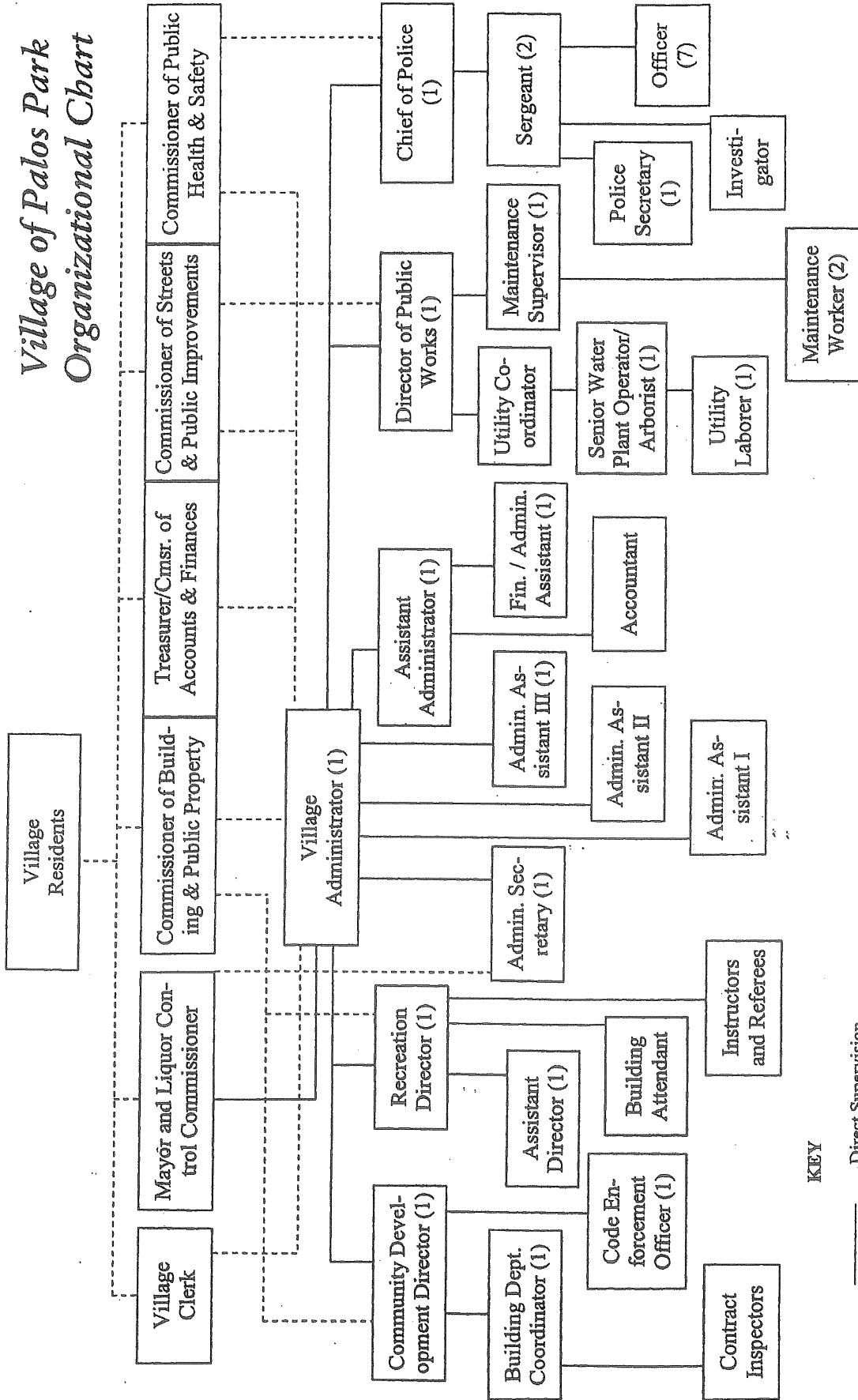
**CLERK**

Carol Bryson

**ADMINISTRATOR**

Patricia L. Jones

# Village of Palos Park Organizational Chart



**KEY**

- Direct Supervision
- - - General Oversight

Number of Full-Time Employees in Parenthesis

# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

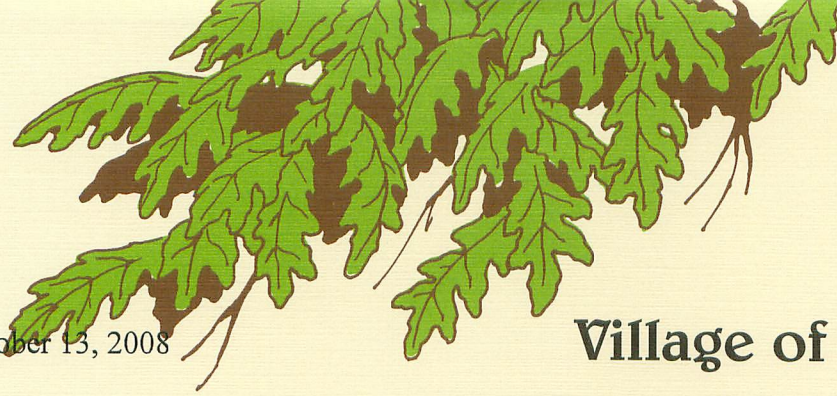


*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director



October 13, 2008

# Village of Palos Park

JOHN F. MAHONEY  
Mayor  
MARY A. O'CONNOR  
Accounts and Finances, Treasurer  
NICOLE MILOVICH-WALTERS  
Public Works and Streets, Recreation

Honorable Mayor and the  
Village Council  
Village of Palos Park  
Palos Park, Illinois

***“Service to Our Residents and Dedication  
to the Preservation of Palos Park”***

DAN POLK  
Public Health and Safety  
JAMES PAVLATOS  
Building and Public Property  
CAROL A. BRYSON  
Village Clerk  
PATRICIA L. JONES  
Village Administrator

Mayor and Village Council:

State law requires that every general purpose local government publish within 6 months of the close of each fiscal year a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) of the Village of Palos Park, Illinois is hereby submitted and published to fulfill that requirement for the fiscal year ended April 30, 2008. 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 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.

The independent auditor's report is located at the front of the financial section of the CAFR. The Village of Palos Park is pleased to report that independent audit firm Sikich LLP has issued an unqualified ("clean") opinion on the Village's financial statements for the year ended April 30, 2008. The MD&A immediately follows the independent auditor's report and 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.

Starting in FY07, GASB 44 establishes and modifies requirements related to the supplementary information in the statistical section. The statistical section now better 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

8999 West 123rd Street, Palos Park, IL 60464 / (708) 448-2700 FAX: (708) 448-9542

[www.palospark.org](http://www.palospark.org)

[info@palospark.org](mailto:info@palospark.org)

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 4,689 people (2000 Census). 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 97% of the homes are owner-occupied. The population of the community is very stable; according to the 2000 Census, 51.4% of owners have been resident since 1989 or earlier. The median age of residents is 46.9 years with 23.3% of residents over 62 years old. Two important concerns of residents are the maintenance of property values and environmental and 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 on 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 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. Usually, 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. Over 47.4 percent of the employed are managers, professionals, and related occupations. Thus, a majority of its employed residents commute into work, averaging 35.6 minutes of travel, with most presumably going into Chicago. Their commute traditionally has been by Interstate 55, affectionately known as the Stevenson. However, increasingly commuters are ditching the traffic and instead taking advantage of the increased parking and Metra train departures at the Village's new rail. 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.

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 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 Administrator, Village Attorney, and the 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. Spending is legally authorized by the Village's annual appropriations ordinance. The annual appropriation is typically 150% of each budget item in order to account for emergency spending, but the annual budget is the working spending plan. In addition, the Village maintains budgetary controls. 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**

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 Shoppes of Mill Creek's Jewel/Osco. 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 recently expanded Carl Sandburg High School (High School District 230).

Fiscal year 2008 saw the Village maintaining status quo without increasing any fee categories; issuing any major debt or purchasing major pieces of equipment.

Overall, General Fund revenues increased by 7.87% in FY08 to \$4,527,277. All tax categories increased compared to FY07 including Property taxes and sales taxes each by 6.1%; state income taxes by 9.2%; utility taxes by 8.2% and other taxes by 2.8%.. The other revenue categories either experienced minimal growth or were slightly less than FY07.

FY08 General Fund operating expenditures decreased slightly from FY07 by \$154,321 to a total of \$4,647,845.. This 3.2% decrease in expenditures was due to a significant reduction in capital outlays that were funded by installment notes in FY07 that were not reflected by purchases in FY08

The Exaction Fund undertook \$26,000 in street, drainage, and transportation improvements in FY08. The ½% Sales Tax Fund had non-home rule sales tax revenues totaling \$192,637 that allowed for the funding of \$132,929 in Public Building and Grounds improvements. A fund balance of \$256,000 still remains in the fund for contingency and future improvements.

The Police Asset Forfeiture Fund did receive \$75,490 on forfeiture income in FY08 that allowed the Police Department to purchase several police vehicles that were deferred in the previous year due to lower than expected revenue..

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

### **Long-term Financial Planning**

As of April 30, 2008, the Palos Park held unreserved, undesignated fund balance equal to 25.4% of FY08 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 5-year budget projections and a 5-year capital improvement plan for equipment and infrastructure. In addition, the Comprehensive Plan the Strategic Plan detail priorities in the long and short runs, respectively, keeping financial expenditures focused.

Future commercial development, where appropriate, is crucial to the Village for sustainability and service to its residents. By the end of FY08 the Village Council was close to completing a Commercial Areas Master Plan. The need to increase revenues and the desire to have better mixed-use areas motivated an analysis of every piece of property in Palos Park to assess which properties might be appropriate candidates for change in zoning in the future, given area growth and owner input. The Commercial Areas Master Plan identified 25 locations for consideration. As other areas are annexed, the number of commercial locations could increase. Strongly connected with this Commercial Areas Master Plan was consideration of zoning code amendments for commercial development. A Commercial Planned Unit Development zoning category is currently under consideration by the Planning Commission for recommendation to the Village Council. The next step in the long range planning process would be to amend the Village's Comprehensive Plan to incorporate the commercial property zoning designations and goals for development standards that would safeguard the character of the Village. The entire Commercial Areas Master Plan is available on the Village's website ([www.palospark.org](http://www.palospark.org)).

## **Major Initiatives for the Year and for the Future**

Each year, the Village prepares several goals during the budget process. These goals are detailed below.

### **ADMINISTRATION DEPARTMENT**

- Transfer of institutional knowledge to database.
- Update Personnel Code.
- Prioritize maintenance and beautification of public areas in the Village with the Public Works Director.
- Investigate and implement “Green” practices and developments.
- Research all closed Special Assessments that still have positive fund balances to see if there were any receipts 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.
- Amend the Comprehensive Plan.
- Reinstigate presentation to Council of annual reports by department managers.
- Continue efforts toward the annexation and commercial development of Bell Road and McCarthy Road.
- Continue annexation efforts in the South Palos Sanitary District area, a residential area of property located south of 127<sup>th</sup> Street to the north side of 131<sup>st</sup> Street and from 80<sup>th</sup> Avenue on the east to 86<sup>th</sup> Avenue on the west.
- Rent Village house at 12309 S. 90<sup>th</sup> Ave.
- Advance the development plan for a multi-museum facility, bike trail, and gardens on MWRD leased property located at 86<sup>th</sup> Avenue and Rt. 83.
- Continue active participation as a member of the Cal Sag Bike Trail Coalition and begin Phase II engineering.
- Implement AT&T Lightspeed cable service.
- Develop and implement a Parks and Recreation Master Plan.
- Negotiate short and possible long term lease of Dist. 118 Palos West fields.
- Pursue approval of and funding for the traffic light control and installation at Creek Road and LaGrange Road.
- Develop rental programs with new vendor at train station.
- Approve lease agreement with T-Mobile for a monopole or flag pole antenna at the Village water pumping station.
- Mentor, guide, and share institutional knowledge with the new Community Development Director

- After acquiring the drainage easement from a McCarthy Road resident, submit plans for ditch work to IDOT and Palos Heights. Then execute construction of the project.
- Continue with community development activities for commercial locations in the Village. This will include work to continue the retention of Francesca's, help the Village Courtyard regain a food and beverage tenant, promote development of the vacant lot east of Republic Bank, and encourage an upscale breakfast and lunch café to locate at a new building enterprise on LaGrange Road near 131st Street.
- Address code violations at Fitzjoy Farm.
- Address two non-conforming commercial uses.

### **BUILDING DEPARTMENT**

- Cross training of staff for the administrative duties of the Building Department.
- Improvements to the MSI software to make the day to day operations of issuing permits more effective.
- Review and analysis of current zoning and building codes for potential changes.
- Revise current codes for the tree protection ordinance and the possibility for new tree preservation ordinances.
- Revise the demo permit procedure and demo permit fees.
- Revise the grading and drainage section of the code to address top of foundation relative to neighboring properties.
- Analyze of building permit fees.
- Review permit expiration dates to make longer for house larger than 5000 square feet.
- Impose higher fines for violation of Village building codes and policies.
- Review the possibility residential fire sprinkler systems of houses of 5000 square feet or larger.
- Purchase and install AutoCAD/GIS software to provide some limited in house mapping capabilities. This would devote departmental resources to help better the information provided to the residents.

### **FINANCE DEPARTMENT**

- Receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the 2008 Fiscal Year's Comprehensive Annual Financial Report (CAFR).
- Receive the GFOA's Distinguished Budget Presentation Award for the 2008 Fiscal Year.
- Enforce written budget procedure.
- Work on the new audit standards of SAS 104-111.
- Examine the whole user fee and penalty structure and present findings to the Council. The Council can then determine, service by service, whether end users should pay for these Village services or whether the service should be a broad one that the Village provides at no additional cost.

- Examine a 1% Non-Home Rule Sales Tax (currently set at 0.5%).
- Continue the lengthy research process with Comcast to collect past due franchise fees.
- Develop a plan to proactively work with commercial landlords and developers to attract businesses that would both reflect well on the community and generate sales tax and Places of Eating tax revenues. Such a plan would conform to the Village's Commercial Areas Master Plan.
- Examine other ways to expand the Village's revenue base through discussions with other municipalities.
- Create and begin implementation of a plan to fund development of the new West-End Park through donations and naming rights to the park and its facilities.
- Create a plan on funding the MWRD museum campus, looking specifically at donations and grants.
- Increase awareness of the new direct debit program.
- Increase awareness of the new Metra parking sticker program.
- Improve the vehicle sticker program to increase the percentage of vehicles covered and reduce mailings.
- Institute an electronic document retention program that satisfies the Local Records Act, FOIA, and the Federal Rules of Civil Procedure while taking cost into consideration.
- Develop a plan to address a forced MSI software upgrade as Microsoft Vista is implemented.
- Convert the Village's cable station from VHS to DVD.
- Develop a better process for tracking and collecting the Places of Eating tax.
- Provide financial assistance, as needed, for any annexation plans that the Village Council may consider.

## **POLICE DEPARTMENT**

- Expand our field patrol staff, (1) additional sworn patrol officer and an additional patrol sergeant to join current contingent of patrol staff.
- Utilize allocated asset forfeiture funds from the D.E.A. Task Force officers to pay for various enforcement, interdiction and education initiatives.
- Patrol fleet maintenance detection and prevention by our fleet manager to work tirelessly with new public works mechanic on a concerted effort to bring down vehicle maintenance associated cost.
- Focus on patrol unit/officer driving safety reduces accident (s) through a joint venture with IRMA to focus on prevention and training.
- Continue to build the Emergency Management Agency & support training, equipment and staff for deployment. Make EMA a fully functional and operating agency.
- Patrol coverage enhancement

- Traffic Safety/Awareness/Enforcement Initiatives.

### **PUBLIC WORKS DEPARTMENT**

- Monitor Cook County Highway Department's (CCHD) resurfacing of 86<sup>th</sup> Avenue.
- Monitor IDOT's McCarthy Road resurfacing and storm drainage work.
- Complete the Holy Family Villa water and sewer extension venture.
- Install an 800,000 gallon underground water storage reservoir at the pump station.
- Carry out the inspection and refurbishment of the Village water tower.
- Implement the 2008 Motor Fuel Tax (MFT) road project.
- Carry out the paving of the McCord House parking lot.
- Address code violations at Fitzjoy Farm.
- Accomplish 116<sup>th</sup> Avenue culvert drainage improvements.
- Undertake hydraulic analysis for replacement of culvert at 116<sup>th</sup> Avenue. Redefine swale in the Forest Preserve with MWRD. Construct project.
- Acquire drainage easement, and then submit a drainage proposal to IDOT and Palos Heights for permitting to resolve 79<sup>th</sup> Ave. drainage problems.
- Construct storm-water relief on 88th Avenue north of 123rd Street.
- Improve departmental record keeping.

### **RECREATION DEPARTMENT**

- Continue to improve on condition of facility/equipment through regular cleaning and maintenance of other Recreation Department spaces.
- Revitalize and reenergize Recreation Department special events, including Easter Egg Hunt, Spring Fun Run, Halloween Party, and Breakfast with Santa.
- Improve marketing of programs through regular flyer distribution through District 118 schools and more press releases.
- Hire an additional part-time Recreation Administrative Assistant to ensure the Recreation Office is staffed on a full-time basis. Develop and implement policies and procedures manuals.
- Implement new adult/senior programs.
- Implement new children/teen programs.
- Add an adult sport league to recreation program.
- Increase Rental revenue at the Recreation Center and Palos West.
- Participate in development of master plan for parks and recreation including for Palos West fields.

### *Relevant Financial Policies*

The Village Council has in place several key written financial policies including a fund balance policy, net unrestricted assets policy, capitalization policy, investment policy, purchasing policy, capital equipment fund and finance and facilities plan. The General Fund fund balance policy is currently 25% of expenditures reported in the most recent CAFR.

### *Awards and Acknowledgments*

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, 2007. This was the 9<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 Village of Palos Park's comprehensive annual financial report was made possible by the diligent efforts of both the Administration and Finance Departments of the Village of Palos Park. All members of both these departments have my gratitude for this accomplishment. I would also like to thank our accounting firm, Sikich LLP, for their guidance through this process. I would also like to extend a special thanks to Patricia Jones, Village Administrator, and Donna Mateja, Village Accountant, whose leadership was essential for completing this project. Finally, but certainly not the least, I want to thank and extend my appreciation to the Mayor, Commissioners, former Council members, and our executive staff including Police Chief Joe Miller, our former Finance Director Kent Oliven, Public Works Director Rachael Kaplan, Recreation Director Nicole Marxman, and our former Director of Building and Zoning Craig Eyer, who have all been instrumental in the planning and implementation of this project.

Respectfully Submitted,



Mary A. O'Connor  
Commissioner of Accounts and Finances, Treasurer

## **FINANCIAL SECTION**



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
Members of the Village Council  
Village of 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, (the Village) as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Palos Park, Illinois' management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position 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, as of April 30, 2008, 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.

The Management's Discussion and Analysis and other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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 combining and individual fund statements and schedules and supplemental data in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in black ink that reads "Seeh LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
October 3, 2008

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## VILLAGE OF PALOS PARK, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2008

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 ended April 30, 2008. This should be read in conjunction with the transmittal letter at the front of this report and with the Village's financial statements which follow this section.

#### FINANCIAL HIGHLIGHTS

- Net asset position and performance in total – The Village's total net assets at April 30, 2008 were \$29,186,746; an increase of \$1,671,326 during the year.
- Governmental activity summary – Net assets for governmental activities increased by \$135,012 during the year.
- Business-type activity summary – Net assets for business-type activities increased by \$1,536,314 during the year.
- General Fund summary – The Village's General Fund reported a decrease of \$106,971 in fund balance for the year.
- Budget vs. Actual – The Village's actual revenues for governmental funds were less than budgeted revenues by \$142,890 while the actual expenditures were more than total budgeted expenditures by \$8,995.
- New capital – Net capital and infrastructure assets increased by \$1,355,546.

#### 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 system	Activities in which the Village is trustee or agent of another's resources such as pension plans
Required financial statements	-Statement of net assets -Statement of activities	-Balance Sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources	Economic resources
Type of asset & 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 & 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 be corporate-like 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 Assets (the “Unrestricted Net Assets”) 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 and 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 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 (i.e. Police Pension) or agent. 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 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. GASB S-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.

<b>FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE</b>
---

**NET ASSETS**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Assets:

**Table 1  
Statement of Net Assets For Fiscal Years 2007 and 2008  
As of April 30, 2008**

	<i>Governmental Activities 2007</i>	<i>Governmental Activities 2008</i>	<i>Business-type Activities 2007</i>	<i>Business-type Activities 2008</i>	<i>Total Primary Government 2007</i>	<i>Total Primary Government 2008</i>
<i>Assets:</i>						
<i>Current and Other Assets</i>	\$ 3,165,755	\$ 3,133,774	\$ 1,867,251	\$ 1,908,919	\$ 5,033,006	\$ 5,042,693
<i>Capital Assets</i>	5,373,769	5,284,225	22,307,356	23,732,446	27,681,125	29,016,671
<b>Total Assets</b>	<b>\$ 8,539,524</b>	<b>\$ 8,417,999</b>	<b>\$ 24,174,607</b>	<b>\$ 25,641,365</b>	<b>\$ 32,714,131</b>	<b>\$ 34,059,364</b>
<i>Liabilities:</i>						
<i>Other Liabilities</i>	\$ 1,172,930	\$ 1,178,696	\$ 48,076	\$ 169,825	\$ 1,221,006	\$ 1,348,521
<i>Long-Term Liabilities</i>	2,694,832	2,432,529	1,282,873	1,091,568	3,977,705	3,524,097
<b>Total Liabilities</b>	<b>\$ 3,867,762</b>	<b>\$ 3,611,225</b>	<b>\$ 1,330,949</b>	<b>\$ 1,261,393</b>	<b>\$ 5,198,711</b>	<b>\$ 4,872,618</b>
<i>Net Assets:</i>						
<i>Invested in capital assets, net of related debt</i>	\$ 2,997,346	\$ 3,151,308	\$ 21,036,524	\$ 22,586,114	\$ 24,033,870	\$ 25,737,422
<i>Restricted</i>	150,945	122,866	-	-	150,945	122,866
<i>Unrestricted</i>	1,523,471	1,532,600	1,807,134	1,793,858	3,330,605	3,326,458
<b>Total Net Assets</b>	<b>\$ 4,671,762</b>	<b>\$ 4,806,774</b>	<b>\$ 22,843,658</b>	<b>\$ 24,379,972</b>	<b>\$ 27,515,420</b>	<b>\$ 29,186,746</b>

For more detailed information see the Statement of Net Assets.

**Normal Impacts-Net Assets**

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

*Net Results Of Activities* – Impacts (increases/decreases) current assets and unrestricted net assets.

*Borrowing For Capital* – Increases current assets and long-term debt.

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 invested in capital assets, net of debt.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and invested in capital assets, net of debt.

### **Current Year Impacts-Net Assets**

The Village's combined net assets increased from \$27,515,420 to \$29,186,746 with the increases in both governmental capital assets and business type capital assets. Net assets of the Village's governmental activities increased \$135,012 during the year and ended the year at \$4,806,774. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance daily operations, increased \$9,129 over last year to \$1,532,600.

The net assets of business-type activities increased \$1,536,314 during the year and ended the year at \$24,379,972. Unrestricted net assets, available to finance the continuing operation of its business type activities, were \$1,793,858. Business type activities include water, sewer, and commuter parking lot services. The annual operating cost of these services for FY08 was approximately \$2,107,356.

Major capital activity during the year included the purchase of a mini excavator, a roadside grass cutting tractor, a leaf catcher and the replacement of the grass hopper mower paid for from the general fund. Cal Sag Bike Trail Phase 1 Engineering in the amount of \$20,000 was placed on deposit with the City of Palos Heights, per our intergovernmental agreement. We also continued our annual computer replacement program in the amount of \$8,000.

The Village continued to make payments on the debt service for the Sluis Residential Property, Kaptur Administrative Center, three dump trucks and one pick-up Installment Contracts, as well as two sales tax rebate notes and two G.O. Alternate Revenue Water and Sewer Bonds.

## CHANGES IN NET ASSETS

### Statement of Changes In Net Assets

The following chart reflects the condensed Statement of Changes In Net Assets.

**Table 2**  
**Changes in Net Assets for Fiscal Years 2007 and 2008**  
**For the Fiscal Year Ended April 30, 2008**

	<i>Governmental Activities 2007</i>	<i>Governmental Activities 2008</i>	<i>Business-type Activities 2007</i>	<i>Business-type Activities 2008</i>	<i>Total Primary Government 2007</i>	<i>Total Primary Government 2008</i>
<b>REVENUES</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 1,355,316	\$ 1,569,780	\$ 1,050,189	\$1,172,324	\$ 2,405,505	\$ 2,742,104
Operating grants	210,353	159,700	-	-	210,353	159,700
Capital grants	520,000	-	510,000	2,231,197	1,030,000	2,231,197
<i>General Revenues:</i>						
Property Taxes	956,234	1,014,455	-	-	956,234	1,014,455
Sales Taxes	890,588	943,390	-	-	890,588	943,390
Utility Taxes	558,092	603,983	-	-	558,092	603,983
Income Taxes	395,205	431,732	-	-	395,205	431,732
Other Taxes	147,006	151,077	-	-	147,006	151,077
Investment Income	90,893	65,619	93,701	87,519	184,594	153,138
Gain on Sale of Capital Assets	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Other	59,050	80,661	487,492	152,630	546,542	233,291
<b>Total Revenues</b>	<b><u>\$ 5,182,737</u></b>	<b><u>\$5,020,397</u></b>	<b><u>\$ 2,141,382</u></b>	<b><u>\$ 3,643,670</u></b>	<b><u>\$ 7,324,119</u></b>	<b><u>\$8,664,067</u></b>
<b>EXPENSES</b>						
General Government	\$ 892,396	\$ 900,666	\$ -	\$ -	\$ 892,396	\$ 900,666
Public Safety	1,643,589	1,946,030	-	-	1,643,589	1,946,030
Public Works	550,148	676,962	-	-	550,148	676,962
Building and Public Grounds	642,185	681,183	-	-	642,185	681,183
Culture & Recreation	314,641	312,111	-	-	314,641	312,111
Solid Waste	235,692	245,040	-	-	235,692	245,040
Water	-	-	1,153,590	1,359,605	1,153,590	1,359,605
Sewer	-	-	573,225	675,554	573,225	675,554
Commuter Lot	-	-	99,572	72,197	99,572	72,197
Interest	115,360	123,393	-	-	115,360	123,393
<b>Total Expenses</b>	<b><u>\$ 4,394,011</u></b>	<b><u>\$4,885,385</u></b>	<b><u>\$ 1,826,387</u></b>	<b><u>\$2,107,356</u></b>	<b><u>\$ 6,220,398</u></b>	<b><u>\$ 6,992,741</u></b>
<b>Change in Net Assets</b>	<b>\$ 788,726</b>	<b>\$135,012</b>	<b>\$ 314,995</b>	<b>\$1,536,314</b>	<b>\$ 1,103,721</b>	<b>\$1,671,326</b>
<b>Ending Net Assets</b>	<b>\$ 4,671,762</b>	<b>\$4,806,774</b>	<b>\$22,843,658</b>	<b>\$24,379,972</b>	<b>\$27,515,420</b>	<b>\$29,186,746</b>

## **Normal Impacts-Changes In Net Assets**

Reflected below are eight 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 user fees including volumes of usage.

*Increase/Decrease In Village Approved Rates* – While certain tax rates are set by statute, the Village Council has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index (2.5% for the 2007 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 Village strives to maintain a competitive salary range position in the marketplace.

*Inflation* – Overall inflation continued to be relatively modest (the CPI-U was 3.6% at the end of FY08 compared to the end of FY07’s CPI-U of 2.3% - the increase was mostly attributable to higher fuel and energy costs), 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 16 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. Over a 16 year period concluding at the end of calendar 2006 the CPI increased a cumulative 54%, while the MPI increased a whopping 85%. These dramatic increases in costs, without a corresponding increase in revenues, have forced municipalities, including the Village of Palos Park, to make difficult choices in the past 16 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 Assets**

### **Governmental Activities**

#### **Revenue:**

Revenues improved modestly in all operating categories except for investment income during the year. However, since no capital grants were posted in the fiscal year, overall total revenues in FY08 were reduced by a net amount of \$162,340. Revenues from governmental activities totaled \$5,020,397 (\$1,569,780 for Charges for Services; \$159,700 for Operating Grants and \$3,290,917 for General Revenues). Property taxes were the Village’s largest source of revenue at \$1,014,455, an increase of 6.1% over FY07. Sales tax revenue increased by 5.9% to 943,390, \$52,802 greater than FY07. Unlike FY07, utility taxes increased to \$603,983 but were still not as high as they were in FY06 that resulted in \$654,620 being received from that revenue source. Building Department contractor licenses, permits, inspection fees, and review fees increased to \$563,833 or 32%, due to the active development of a subdivision as well as general investment activity in the maintenance of home improvements. State income taxes increased 9.2% to an annual total of \$431,732 or \$92.07 per capita. In the non-major governmental Police Asset Forfeiture Fund, \$75,490 of a budgeted \$100,000 was received in FY08, reversing a trend (FY07’s revenues were \$17,533). Other revenue sources have experienced minor increases or decreases, but are relatively minor changes.

Expenses:

Expenses for governmental activities totaled \$4,885,385, an 11.1% increase over FY07. Some of the more notable increases in spending are noted below. Personnel costs (including employment taxes) increased 11.08% (with wages increasing 11.1% and benefits increasing 10.7%) as the Village added a full time labor position in the public works department. Legal fees decreased 14% to \$165,147.66 in FY08. Police Department total costs increased 8.7% to \$1,742,534. In the non-major governmental Police Asset Forfeiture Fund, three new police vehicles were purchased

**Business-Type Activities**

Revenue:

Revenue from business-type activities totaled \$3,643,670 (\$1,172,324 Charge for Services; \$240,149 from investments and other income and \$2,231,197 in capital grants), an increase of \$1,502,288 over the previous fiscal year. FY08 saw maintenance of the current water and sewer tap-in fees but a recently completed water and sewer rate study did result in a rate adjustment for both water and sewer funds in the summer of 2008. It was initially projected in FY07 that a water revenue bond would be floated to pay for an underground water storage tank, but this project is still under review and engineering development and is now anticipated to be issued in 2009.

Expenses:

Expenses for business-type activities totaled \$2,107,356, a \$280,969 increase over FY07. Personnel expenses increased by \$117,573. Water purchases increased by 9.7% to \$290,493, again because of increased usage by residents during the summer of 2007. Overall sewer fund operating expenses were less in FY08 due to the completion of the sewer improvements for the 94th Ave./Munch Subdivision/Rodriguez/Rod Estates Subdivision sewer extension that were made in FY07. The Commuter Lot saw a full year of operation as the expenditures for utilities have stabilized. The Village continues to provide additional landscaping and plantings after taking control of the station from Metra. Finally, as mentioned before, the budget had projected that an underground water storage tank would be constructed in FY07, but that has been moved to a later date.

<b>FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS</b>
--

For the fiscal year ended April 30, 2008, the governmental funds reflect a combined fund balance of \$1,987,425; a decrease of \$48,014, or 2.4%, under the prior fiscal year. Total revenues for the General Fund were less than the budgeted revenues by \$142,890, or 3.2%. A majority of that revenue shortfall can be attributed to lower investment earnings and a reduction in operating grant income. The major revenue sources to the general fund all experienced modest growth. Operating expenditures were slightly higher than projected in the budget by \$91,016 but those were offset by reduced expenditures totaling \$99,462 in budgeted versus actual expenditures for capital outlay. The fund balance for all governmental funds covers 39.1% of all governmental revenues for FY08, a slight decrease from the 43.7% in FY07.

The General Fund fund balance at April 30, 2008 was \$1,263,249, a reduction of \$106,971. 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. 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, is worth keeping an eye on. The ending fund balance represents approximately 27.2% of the Village's General Fund expenditures for FY08; a slight decrease from the 28.5% from FY07 and 33.5% level for FY06.

### General Fund Budgetary Highlights

<i>General Fund</i>	<i>FY08 Budget</i>	<i>FY08 Actual</i>	<i>FY07 Actual</i>	<i>FY06 Actual</i>	<i>FY05 Actual</i>
<i>Revenues</i>					
<i>Taxes</i>	\$3,131,761	\$2,952,001	\$2,764,198	\$2,757,466	\$2,563,659
<i>Licenses &amp; Permits</i>	592,468	653,044	505,647	415,187	389,771
<i>Intergovernmental</i>	148,000	26,994	73,921	40,677	28,040
<i>Other</i>	797,938	895,238	853,036	726,950	614,095
<b>Total</b>	<b>\$4,670,167</b>	<b>\$4,527,277</b>	<b>\$4,196,802</b>	<b>\$3,940,280</b>	<b>\$3,595,565</b>
<i>Expenditures</i>					
<i>Current</i>	(\$4,075,750)	(\$4,166,766)	(\$3,731,269)	(\$3,674,947)	(\$3,122,659)
<i>Capital Outlay</i>	(213,900)	(114,438)	(733,931)	(147,561)	(143,602)
<i>Debt Service</i>	(367,190)	(366,641)	(336,966)	(259,006)	(99,733)
<b>Total</b>	<b>(\$4,656,840)</b>	<b>(\$4,647,845)</b>	<b>(\$4,802,166)</b>	<b>(\$4,081,514)</b>	<b>(\$3,365,994)</b>
<i>Other Financing Sources Uses</i>					
<i>Transfers In</i>	\$ 104,000	\$ 66,358	\$ 0	\$ 39,973	\$ 0
<i>Transfers Out</i>	(69,749)	(56,000)	(60,200)	(50,000)	(250,000)
<i>Issuance of installment notes</i>	0	0	653,599	109,429	0
<i>Proceeds from sale of assets</i>	9,000	3,239	16,576	17,281	0
<b>Total</b>	<b>\$ 43,251</b>	<b>\$ 13,597</b>	<b>\$ 609,975</b>	<b>\$ 116,683</b>	<b>(\$ 250,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 56,578</b>	<b>(\$ 106,971)</b>	<b>\$ 4,611</b>	<b>(\$ 24,551)</b>	<b>(\$ 20,429)</b>

Actual General Fund revenues were smaller than originally budgeted revenues by \$142,890. for FY08. The expenditures exceeded the budgeted amount by \$120,568. Notable differences between the budget and actual numbers for Revenue, Expenditures, and Other Financing Sources are below.

Intergovernmental Revenues were \$121,006 less than expected. In the budget it was expected that the Village would receive a \$68,000 Illinois Tomorrow Corridor Planning state grant to reimburse for planning work on a transportation oriented development. A small portion of the work was done in FY08. We received \$8,550 of the Tomorrow Corridor planning grant in FY08. We also anticipated a Department of Commerce and Economic Opportunity Grant in the amount of \$50,000 for bike trail development which was not received during FY08.

General Fund expenditures were \$105,395 less than anticipated. This was due to postponing the 116<sup>th</sup> Avenue and the 79<sup>th</sup> Avenue drainage projects and the expenditure of the Illinois Tomorrow Planning Grant for the Transportation Oriented Development (T.O.D.).

In FY08 the Transfers In were projected to be \$89,000, but came in at \$66,358.

During fiscal year 2008, the Village Council approved four budget amendments as follows: Sewer Fund in the amount of \$45,900, \$26,000 from the Street Exaction Fund for a new backhoe. The Sewer Fund item will be financed by taking \$15,900 from the Fund's cash account balance and \$30,000 from a 2 year 4.5% loan from Palos Bank (two equal annual payments. The Council approved two additional budget amendments for street resurfacing in the amount of \$218,000; \$122,000 from the ½% sales tax fund and \$96,000 from the Motor Fuel Tax Fund.

<b>CAPITAL ASSET AND DEBT ADMINISTRATION</b>
--

**Capital Assets**

At the end of Fiscal Year 2008, the Village's Governmental Funds had invested \$5,373,769 (see Notes to Financial Statements #6: Capital Assets) in a variety of capital assets and infrastructure (prospectively), as reflected in the following schedule.

**Table 3  
Governmental Funds  
Change in Net Capital Assets**

	<i>Beginning Balance, May 1, 2007</i>	<i>Additions/ Deletions</i>	<i>Ending Balance, April 30, 2008</i>
<b><i>Non-Depreciable Assets</i></b>			
<i>Land</i>	\$ 1,598,500	\$ -	\$ 1,598,500
<b><i>Depreciable Capital Assets</i></b>			
<i>Infrastructure</i>	300,000	-	300,000
<i>Buildings and Improvements</i>	3,862,500	-	3,862,500
<i>Equipment and Vehicles</i>	686,895	79,027	765,922
<i>Accumulated Depreciation on Capital Assets</i>	(1,074,126)	(168,571)	(1,242,697)
<b><i>Totals</i></b>	\$ 5,373,769	\$ (89,544)	\$ 5,284,225

As seen above, there was no new Construction-in-Progress or Construction-in-Progress retirements for the Governmental Funds in FY08.

In FY08 the Police Department purchased three new squad cars from the Police Asset Forfeiture Fund.

## **Debt Outstanding**

As part of a 1990 annexation agreement, the Village issued an \$875,000 note payable to the developer for the creation of a business district. As of April 30, 2008, the balance on this note was \$125,000.

In 2000, the Village issued a \$1,845,000 installment contract for the construction of the Kaptur Administrative Center. As of April 30, 2008, the balance on this installment contract was \$1,350,000.

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, 2008, the balance was \$198,000.

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, 2008, the balance was \$555,000.

The Village also has three installment purchase contracts for the purchase of vehicles. In 2005 the Village issued one for \$76,742 for a dump truck and one for \$67,948 for the purchase of two pick-up trucks. Both remaining 2005 notes totaling \$43,221 were paid off in FY08. In the spring of 2007, the Village issued one for \$83,599 for the purchase of a dump truck. As of April 30, 2008, the balance on this contract was \$29,917.

The Village's Water Fund has bonds payable to two special assessments (96-1A and 96-1B) for a public benefit portion of those special assessments. The principal balance as of April 30, 2008 was \$396,332.

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 131<sup>st</sup> 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, 2008 the combined principal balance remaining was \$770,000.

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 \$20,145,035. The Village's potential total general obligation debt of \$770,000 is well within the limit. See Notes to Financial Statements #8: Long-Term Debt for additional information regarding the long-term debt of the Village.

## **ECONOMIC FACTORS**

The Village's 2007 Equalized Assessed Value (EAV) for property taxes payable in 2008 increased by 6.3% over the 2007 EAV, which is greater than the 2.7% experienced in the previous year (2006) but still below the 21.4% experienced the year before for the 2005 tax year. There are two explanations for this. First, and foremost, Palos Park had a triennial reassessment in 2005 which contributed to this increase in the 2005 EAV. Secondly, the nation has experienced at least a partial meltdown of the subprime mortgage industry which has flowed through to non-subprime properties, specifically the volume of new housing being built, the volume of existing housing being sold, and ultimately, to home values. While the estimated number of subprime mortgages in Palos Park is probably fairly low, the smaller increases in EAV, given the larger than average amount of new construction in FY07 and FY08, shows that this housing crisis has begun to affect the community. It is also worth stating at this point that the Village of Palos Park's property tax revenue is just 6.4% of the property tax assessed its citizens (this increases to 8.5% if you add the Village's library component unit). The Consumer Price Index for the Chicago-Gary-Kenosha area was 3.6% for April 2008; a figure below the national average of 3.9%. The Village of Palos Park had, according to the 2000 census a per capita income of \$39,861, median household income of \$88,628, and median home value of \$286,800.

## **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. Questions concerning this report or requests for additional financial information should be directed to Patricia Jones, Village Administrator, Kaptur Administrative Center, 8999 W. 123rd Street, Palos Park, Illinois 60464.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2008

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Palos Park Public Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,511,665	\$ 1,566,929	\$ 3,078,594	\$ 692,520
Investments	389,740	167,031	556,771	-
Receivables, net of allowance where applicable				
Accounts	-	146,584	146,584	-
Property taxes	567,263	-	567,263	183,235
State sales tax	214,685	-	214,685	-
Other	334,854	-	334,854	-
Motor fuel tax allotments receivable	10,497	-	10,497	-
Due from (to) other funds	9,949	(9,949)	-	-
Due from component unit	582	-	582	-
Prepaid expenses	84,014	18,324	102,338	582
Net pension asset	10,525	-	10,525	-
Capital assets, not being depreciated	1,598,500	20,000	1,618,500	10,700
Capital assets, being depreciated (net of accumulated depreciation)	3,685,725	23,732,446	27,418,171	238,169
<b>Total assets</b>	<b>8,417,999</b>	<b>25,641,365</b>	<b>34,059,364</b>	<b>1,125,206</b>
<b>LIABILITIES</b>				
Accounts payable	426,398	46,376	472,774	-
Wages payable	93,285	15,753	109,038	8,471
Deposits payable	4,140	-	4,140	-
Accrued interest	42,872	11,819	54,691	-
Due to fiduciary fund	21,991	-	21,991	-
Due to primary government	-	-	-	582
Due to other governments	6,608	-	6,608	-
Unearned revenues	583,402	-	583,402	183,235
Long-term liabilities				
Due within one year	304,109	95,877	399,986	6,502
Due in more than one year	2,128,420	1,091,568	3,219,988	-
<b>Total liabilities</b>	<b>3,611,225</b>	<b>1,261,393</b>	<b>4,872,618</b>	<b>198,790</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,151,308	22,586,114	25,737,422	248,869
Restricted for				
Public safety	11,676	-	11,676	-
Public works	66,719	-	66,719	-
Culture and recreation	44,471	-	44,471	677,547
Unrestricted	1,532,600	1,793,858	3,326,458	-
<b>TOTAL NET ASSETS</b>	<b>\$ 4,806,774</b>	<b>\$ 24,379,972</b>	<b>\$ 29,186,746</b>	<b>\$ 926,416</b>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 900,666	\$ 269,615	\$ 10,688	\$ -
Public safety	1,946,030	261,094	16,306	-
Public works	676,962	2,884	130,906	-
Building and public grounds	681,183	563,833	-	-
Culture and recreation	312,111	226,646	1,800	-
Solid waste	245,040	245,708	-	-
Interest	123,393	-	-	-
Total governmental activities	4,885,385	1,569,780	159,700	-
Business-Type Activities				
Water	1,359,605	904,234	-	957,505
Sewer	675,554	175,351	-	1,273,692
Commuter lot	72,197	92,739	-	-
Total business-type activities	2,107,356	1,172,324	-	2,231,197
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,992,741</b>	<b>\$ 2,742,104</b>	<b>\$ 159,700</b>	<b>\$ 2,231,197</b>
<b>COMPONENT UNIT</b>				
Palos Park Public Library	\$ 408,093	\$ 15,678	\$ 5,677	\$ -

Net (Expense) Revenue and Change in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Palos Park Public Library
\$ (620,363)	\$ -	\$ (620,363)	\$ -
(1,668,630)	-	(1,668,630)	-
(543,172)	-	(543,172)	-
(117,350)	-	(117,350)	-
(83,665)	-	(83,665)	-
668	-	668	-
(123,393)	-	(123,393)	-
(3,155,905)	-	(3,155,905)	-
-	502,134	502,134	-
-	773,489	773,489	-
-	20,542	20,542	-
-	1,296,165	1,296,165	-
(3,155,905)	1,296,165	(1,859,740)	-
-	-	-	(386,738)
General Revenues			
Taxes			
Property	1,014,455	-	1,014,455
Sales	943,390	-	943,390
Income	431,732	-	431,732
Utility	603,983	-	603,983
Other	151,077	-	151,077
Investment income	65,619	87,519	153,138
Miscellaneous	80,661	152,630	233,291
Total	3,290,917	240,149	3,531,066
CHANGE IN NET ASSETS	135,012	1,536,314	1,671,326
NET ASSETS, MAY 1	4,671,762	22,843,658	27,515,420
NET ASSETS, APRIL 30	\$ 4,806,774	\$ 24,379,972	\$ 29,186,746
	\$ 926,416		

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2008

	General	Nonmajor	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 816,091	\$ 695,574	\$ 1,511,665
Investments	389,740	-	389,740
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	567,263	-	567,263
State sales tax	171,176	43,509	214,685
Other	334,854	-	334,854
Motor fuel tax allotments receivable	-	10,497	10,497
Due from other funds	-	9,949	9,949
Due from component unit	582	-	582
Prepaid items	81,614	2,400	84,014
<b>TOTAL ASSETS</b>	<b>\$ 2,361,320</b>	<b>\$ 761,929</b>	<b>\$ 3,123,249</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 405,567	\$ 20,831	\$ 426,398
Deposits payable	4,140	-	4,140
Wages payable	92,502	783	93,285
Due to other governments	6,608	-	6,608
Due to fiduciary fund	21,991	-	21,991
Deferred revenues	567,263	16,139	583,402
<b>Total liabilities</b>	<b>1,098,071</b>	<b>37,753</b>	<b>1,135,824</b>
<b>FUND BALANCES</b>			
Reserved for prepaid items	81,614	2,400	84,014
Reserved for public safety	-	9,276	9,276
Reserved for public works	-	66,719	66,719
Reserved for culture and recreation	-	44,471	44,471
Unreserved			
Undesignated			
General	1,181,635	-	1,181,635
Special revenue	-	136,550	136,550
Capital projects	-	464,760	464,760
<b>Total fund balances</b>	<b>1,263,249</b>	<b>724,176</b>	<b>1,987,425</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,361,320</b>	<b>\$ 761,929</b>	<b>\$ 3,123,249</b>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2008

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,987,425
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	5,284,225
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	10,525
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(42,872)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Installment contracts	(2,132,917)
Notes payable	(125,000)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	<u>(174,612)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,806,774</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	General	Nonmajor	Total
<b>REVENUES</b>			
Property taxes	\$ 1,014,455	\$ -	\$ 1,014,455
Other taxes	1,937,546	192,637	2,130,183
Licenses, permits and fees	653,044	-	653,044
Intergovernmental	26,994	132,706	159,700
Charges for services	34,966	63,219	98,185
Fees by agreement	620,443	-	620,443
Fines and forfeits	112,017	75,490	187,507
Investment income	36,851	28,768	65,619
Miscellaneous	90,961	300	91,261
<b>Total revenues</b>	<b>4,527,277</b>	<b>493,120</b>	<b>5,020,397</b>
<b>EXPENDITURES</b>			
Current			
General government	802,126	6,180	808,306
Public safety	1,864,814	6,786	1,871,600
Public works	449,358	74,725	524,083
Building and public grounds	528,656	132,929	661,585
Culture and recreation	276,772	27,934	304,706
Solid waste	245,040	-	245,040
Capital outlay	114,438	125,251	239,689
Debt service			
Principal	243,506	50,000	293,506
Interest and fiscal charges	123,135	-	123,135
<b>Total expenditures</b>	<b>4,647,845</b>	<b>423,805</b>	<b>5,071,650</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(120,568)</b>	<b>69,315</b>	<b>(51,253)</b>

(This statement is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	General	Nonmajor	Total
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 66,358	\$ 56,000	\$ 122,358
Transfers (out)	(56,000)	(66,358)	(122,358)
Proceeds from sale of assets	3,239	-	3,239
Total other financing sources (uses)	13,597	(10,358)	3,239
NET CHANGE IN FUND BALANCES	(106,971)	58,957	(48,014)
FUND BALANCES, MAY 1	1,370,220	665,219	2,035,439
FUND BALANCES, APRIL 30	\$ 1,263,249	\$ 724,176	\$ 1,987,425

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (48,014)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	110,525
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	293,506
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	(200,069)
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 accrued interest payable	(258)
Increase in compensated absences	(58,846)
Decrease in net pension obligation/increase in net pension asset	<u>38,168</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 135,012</u>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

April 30, 2008

	Business-Type Activities			
	Sewer			Total
	Water	Maintenance	Nonmajor	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 903,601	\$ 631,419	\$ 31,909	\$ 1,566,929
Investments	167,031	-	-	167,031
Accounts receivable	117,514	29,070	-	146,584
Prepaid expenses	9,819	7,498	1,007	18,324
Total current assets	1,197,965	667,987	32,916	1,898,868
<b>CAPITAL ASSETS</b>				
Capital assets, not being depreciated	20,000	-	-	20,000
Capital assets, being depreciated, cost	16,321,922	16,787,784	-	33,109,706
Less accumulated depreciation	(4,563,159)	(4,814,101)	-	(9,377,260)
Net capital assets	11,778,763	11,973,683	-	23,752,446
Total assets	12,976,728	12,641,670	32,916	25,651,314
<b>CURRENT LIABILITIES</b>				
Accounts payable	33,237	10,673	2,466	46,376
Wages payable	10,572	5,181	-	15,753
Due to other funds	-	-	9,949	9,949
Accrued interest	5,229	6,590	-	11,819
Compensated absences payable	2,207	960	-	3,167
General obligation bond payable	24,400	30,600	-	55,000
Special assessment bond payable	37,710	-	-	37,710
Total current liabilities	113,355	54,004	12,415	179,774
<b>LONG-TERM LIABILITIES</b>				
Compensated absences payable	12,508	5,438	-	17,946
General obligation bond payable	316,656	398,344	-	715,000
Special assessment bond payable	358,622	-	-	358,622
Total long-term liabilities	687,786	403,782	-	1,091,568
Total liabilities	801,141	457,786	12,415	1,271,342
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	11,041,375	11,544,739	-	22,586,114
Unrestricted	1,134,212	639,145	20,501	1,793,858
<b>TOTAL NET ASSETS</b>	<b>\$ 12,175,587</b>	<b>\$ 12,183,884</b>	<b>\$ 20,501</b>	<b>\$ 24,379,972</b>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities			
	Water	Sewer		Total
		Maintenance	Nonmajor	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 871,674	\$ 172,091	\$ 92,739	\$ 1,136,504
Sale of water meters	10,180	-	-	10,180
Other income	22,380	3,260	-	25,640
<b>Total operating revenues</b>	<b>904,234</b>	<b>175,351</b>	<b>92,739</b>	<b>1,172,324</b>
<b>OPERATING EXPENSES</b>				
Personnel	279,580	126,521	-	406,101
Commodities	18,578	8,370	5,135	32,083
Water purchases	290,493	-	-	290,493
Services	279,704	95,826	67,062	442,592
Repairs and maintenance	41,552	5,800	-	47,352
Depreciation	413,561	422,854	-	836,415
<b>Total operating expenses</b>	<b>1,323,468</b>	<b>659,371</b>	<b>72,197</b>	<b>2,055,036</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(419,234)</b>	<b>(484,020)</b>	<b>20,542</b>	<b>(882,712)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	52,763	31,716	3,040	87,519
Rental income	33,946	-	-	33,946
Tap-on fees	75,238	43,446	-	118,684
Contribution revenue	957,505	1,273,692	-	2,231,197
Interest expense	(36,137)	(16,183)	-	(52,320)
<b>Total nonoperating revenues (expenses)</b>	<b>1,083,315</b>	<b>1,332,671</b>	<b>3,040</b>	<b>2,419,026</b>
<b>NET INCOME</b>	<b>664,081</b>	<b>848,651</b>	<b>23,582</b>	<b>1,536,314</b>
<b>NET ASSETS (DEFICIT), MAY 1</b>	<b>11,511,506</b>	<b>11,335,233</b>	<b>(3,081)</b>	<b>22,843,658</b>
<b>NET ASSETS, APRIL 30</b>	<b>\$ 12,175,587</b>	<b>\$ 12,183,884</b>	<b>\$ 20,501</b>	<b>\$ 24,379,972</b>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities			
	Water	Sewer Maintenance	Nonmajor	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 886,185	\$ 167,153	\$ 92,739	\$ 1,146,077
Payments to suppliers	(628,589)	(105,389)	(71,008)	(804,986)
Payments to employees	(267,746)	(118,917)	-	(386,663)
Net cash from operating activities	(10,150)	(57,153)	21,731	(45,572)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Repayments to other funds	-	-	(35,772)	(35,772)
Rental income	33,946	-	-	33,946
Tap-on fees	75,238	43,446	-	118,684
Net cash from noncapital financing activities	109,184	43,446	(35,772)	116,858
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	(50,308)	-	(50,308)
Principal paid on long-term debt	(73,900)	(30,600)	-	(104,500)
Interest paid on long-term debt	(36,640)	(16,535)	-	(53,175)
Net cash from capital and related financing activities	(110,540)	(97,443)	-	(207,983)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	43,513	31,716	3,040	78,269
Net cash from investing activities	43,513	31,716	3,040	78,269
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>32,007</b>	<b>(79,434)</b>	<b>(11,001)</b>	<b>(58,428)</b>
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<b>871,594</b>	<b>710,853</b>	<b>42,910</b>	<b>1,625,357</b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 903,601</b>	<b>\$ 631,419</b>	<b>\$ 31,909</b>	<b>\$ 1,566,929</b>

(This statement is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities			
	Water	Sewer Maintenance	Nonmajor	Total
<b>RECONCILIATION OF OPERATING INCOME</b>				
<b>(LOSS) TO NET CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (419,234)	\$ (484,020)	\$ 20,542	\$ (882,712)
Adjustments to reconcile operating income				
(loss) to net cash from operating activities				
Depreciation	413,561	422,854	-	836,415
Changes in assets and liabilities				
Receivables	(18,049)	(8,199)	-	(26,248)
Prepaid expenses	(5,196)	(3,377)	(253)	(8,826)
Accounts payable	6,934	7,984	1,442	16,360
Accrued payroll and compensated absences	11,834	7,605	-	19,439
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (10,150)</b>	<b>\$ (57,153)</b>	<b>\$ 21,731</b>	<b>\$ (45,572)</b>
<b>SUMMARY OF NONCASH TRANSACTIONS</b>				
Contributed of capital assets	\$ 957,505	\$ 1,273,692	\$ -	\$ 2,231,197

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

April 30, 2008

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 2,266,787
Investments		
U.S. treasury securities	133,165	-
U.S. government agency securities	528,396	-
Municipal bonds	90,969	-
Mutual funds	87,747	-
Money market mutual funds	78,590	-
Accrued interest	10,743	-
Due from Village	21,991	-
	951,601	\$ 2,266,787
<b>LIABILITIES</b>		
Due to property owners	-	\$ 2,266,787
	-	\$ 2,266,787
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 951,601</b>	

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2008

---

ADDITIONS	
Contributions	
Employer	\$ 202,122
Employee	<u>56,124</u>
Total contributions	<u>258,246</u>
Investment income	57,392
Less investment expense	<u>(2,910)</u>
Net investment income	<u>54,482</u>
Total additions	<u>312,728</u>
DEDUCTIONS	
Benefits and refunds	52,661
Administration	<u>2,662</u>
Total deductions	<u>55,323</u>
NET INCREASE	257,405
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>694,196</u>
April 30	<u><u>\$ 951,601</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS  
INDEX TO NOTES TO FINANCIAL STATEMENTS

April 30, 2008

---

Footnote Number	Description	Page Number
1	Summary of Significant Accounting Policies	18-25
2	Deficit Fund Balance/Net Assets	25
3	Deposits and Investments	25-29
4	Receivables - Property Taxes	29
5	Other Receivables	29
6	Capital Assets	30-31
7	Risk Management	31-32
8	Long-Term Debt	32-37
9	Interfund Accounts	37-38
10	Contingent Liabilities	38
11	Defined Benefit Pension Plans	39-42
12	Component Unit - Palos Park Public Library	43-48

VILLAGE OF PALOS PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2008

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Palos Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village of Palos Park, Illinois, a non-home rule village was 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. No separate financial statements are available for the Palos Park Public Library (the Library).

B. Fund Accounting

The Village 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 or activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity. The Village also utilizes agency funds for the collection of property taxes and the related payment of principal and interest on no government commitment special assessment bonds.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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 reports 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 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 noncommitment debt repayment as agency funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, 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 (except for the agency funds which have no measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. The Village 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, franchise fees, licenses, 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 Village.

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 Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

The Village 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 Village 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 Village has a legal claim to the resources, the liability for deferred/unearned revenue is removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2008 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts, if any, are valued at contract value as of April 30, 2008.

F. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are reported prospectively as of May 1, 2004. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

<u>Asset Class</u>	<u>Capitalization Threshold</u>
Buildings and improvements	\$ 10,000
Vehicles	10,000
Infrastructure	10,000
Water and sewer distribution system	10,000
Streets	10,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	40
Infrastructure	40
Water and sewer distribution system	40
Vehicles	5
Streets	30

H. Compensated Absences

Vested or accumulated vacation leave, vested sick leave and compensatory time is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation leave, vested sick leave and compensatory time of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 expenditures.

J. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's restricted net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt, represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

K. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

If applicable, advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

2. DEFICIT FUND BALANCE/NET ASSETS

The Business District Development Fund had a deficit fund balance of \$5,264 as of April 30, 2008.

3. DEPOSITS AND INVESTMENTS

A. Village 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 that 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.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

A. Village Investments (Continued)

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. 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's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury obligations	\$ 176,502	\$ 79,593	\$ -	\$ 96,909	\$ -
U.S. Agency obligations	123,974	-	123,974	-	-
Money market mutual funds	4,917	4,917	-	-	-
<b>TOTAL</b>	<b>\$ 305,393</b>	<b>\$ 84,510</b>	<b>\$ 123,974</b>	<b>\$ 96,909</b>	<b>\$ -</b>

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.

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 and Treasury obligations 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 investments be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors and soundly diversified.

3. DEPOSITS AND INVESTMENTS (Continued)

A. Village Investments (Continued)

Investments (Continued)

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, 2008, the Village had greater than five percent of its overall portfolio invested in U.S. Agency obligations, U.S. Treasury obligations and money market mutual funds. 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 a \$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.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Police Pension Fund, an independent third party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury obligations	\$ 133,165	\$ -	\$ -	\$ 102,072	\$ 31,093
U.S. Agency obligations	528,396	90,745	124,917	202,606	110,128
Municipal bonds	90,969	-	10,016	9,927	71,026
Money market mutual funds	78,590	78,590	-	-	-
<b>TOTAL</b>	<b>\$ 831,120</b>	<b>\$ 169,335</b>	<b>\$ 134,933</b>	<b>\$ 314,605</b>	<b>\$ 212,247</b>

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.

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 U.S. Agency obligations and other highly rated obligations. The U.S. Agency and Treasury obligations are rated AAA and the Municipal Bonds are also rated AAA.

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.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

3. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Investments (Continued)

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 investment to avoid unreasonable risk. At April 30, 2008, the Police Pension Fund had greater than five percent of its overall portfolio invested in U.S. Agency and Treasury obligations and municipal bonds. The Police Pension Fund's investment policy requires that deposits in the Illinois Public Treasurer's Investment Pool shall not exceed 50% of the total portfolio. The policy provides no other limits on diversification.

4. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2007 levy year attach as an enforceable lien on January 1, 2007, 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, 2008 and September 1, 2008, and are payable in two installments, on or about March 1, 2008 and October 1, 2008. The County collects such taxes and remits them periodically. The second half collections of the 2006 levy and the first half collections of 2007 are intended to finance the 2008 fiscal year. The remaining collections of the 2007 levy are not considered available for current operations and are, therefore, shown as deferred revenue. The 2008 tax levy has not been recorded as a receivable at April 30, 2008, as the tax attached as a lien on property as of January 1, 2008; however, the tax will not be levied until December 2008 and, accordingly, is not measurable at April 30, 2008.

5. OTHER RECEIVABLES

The following receivables are included in Other Receivables on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES	
Accounts	\$ 169,355
Local use tax	16,145
State income tax	40,006
Telecommunications tax	59,006
Court fines	7,725
Refuse on-site charges	42,617
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 334,854</u>

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CAPITAL ASSETS

Capital asset activity for the Village for the year ended April 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,598,500	\$ -	\$ -	\$ 1,598,500
Total capital assets not being depreciated	1,598,500	-	-	1,598,500
Capital assets being depreciated				
Infrastructure	300,000	-	-	300,000
Buildings and improvements	3,862,500	-	-	3,862,500
Vehicles	686,895	110,525	31,498	765,922
Total capital assets being depreciated	4,849,395	110,525	31,498	4,928,422
Less accumulated depreciation for				
Infrastructure	10,000	10,000	-	20,000
Buildings and improvements	681,973	96,562	-	778,535
Vehicles	382,153	93,507	31,498	444,162
Total accumulated depreciation	1,074,126	200,069	31,498	1,242,697
Total capital assets being depreciated, net	3,775,269	(89,544)	-	3,685,725
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 5,373,769	\$ (89,544)	\$ -	\$ 5,284,225
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Total capital assets not being depreciated	20,000	-	-	20,000
Capital assets being depreciated				
Water distribution system	15,329,006	957,505	-	16,286,511
Sewer distribution system	15,463,784	1,324,000	-	16,787,784
Vehicles	35,411	-	-	35,411
Total capital assets being depreciated	30,828,201	2,281,505	-	33,109,706
Less accumulated depreciation for				
Water distribution system	4,135,434	406,479	-	4,541,913
Sewer distribution system	4,391,247	422,854	-	4,814,101
Vehicles	14,164	7,082	-	21,246
Total accumulated depreciation	8,540,845	836,415	-	9,377,260
Total capital assets being depreciated, net	22,287,356	1,445,090	-	23,732,446
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$22,307,356	\$ 1,445,090	\$ -	\$23,752,446

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

6. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 84,875
Public safety	63,762
Public works	43,561
Culture and recreation	<u>7,871</u>

TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES

\$ 200,069

7. 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; injuries to employees; employee health and natural disasters. Employee health insurance is covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the fiscal year or prior two fiscal years.

In addition, the Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an insurance pool whose members are Illinois municipalities and other governmental agencies. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

7. RISK MANAGEMENT (Continued)

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA at April 30, 2008, for the current or prior claim years.

8. LONG-TERM DEBT

A. Installment Contracts Payable

The Village has outstanding installment contracts payable at April 30, 2008:

\$1,845,000 Series 2000 Certificates, dated August 1, 2000, were issued for construction of the new Administration Center, payable in annual installments of \$20,000 to \$230,000 each December 1 through December 1, 2014 with interest of 4.80% to 5.60%.

\$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 2007 Certificates, dated October 23, 2007, were issued for the purchase of the 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%.

\$76,742 installment purchase contract, dated July 6, 2005, was issued for the purchase of a dump truck, payable in annual installments of \$26,682 each July 5 through July 5, 2008 including interest of 4.85%.

\$67,948 installment purchase contract, dated April 11, 2005 (delivery of vehicles on September 29, 2005), was issued for the purchase of two pick-up trucks, payable in annual installments of \$24,034 each September 29 through September 29, 2008 including interest of 6.0%. Debt is retired by both the General Fund (48%) and the Water Fund (52%).

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

A. Installment Contracts Payable (Continued)

\$83,599 installment purchase contract, dated February 14, 2008, was issued for the purchase of a dump truck, payable in annual installments of \$29,477 each February 14 through February 14, 2009 including interest of 5.81%.

Changes in installment contracts for the year ended April 30, 2008 are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirement s	Balances April 30	Current Portion
Series 2000 Certificates	General	\$ 1,500,000	\$ -	\$ 150,000	\$ 1,350,000	\$ 160,000
Series 2002 Certificates	General	216,000	-	18,000	198,000	18,000
Series 2007 Certificates	General	570,000	-	15,000	555,000	20,000
2005 Installment Purchase Contract	General	25,217	-	25,217	-	-
2005 Installment Purchase Contract	General	10,884	-	10,884	-	-
2008 Installment Purchase Contract	General	54,322	-	24,405	29,917	29,917
<b>TOTAL INSTALLMENT CONTRACTS PAYABLE</b>		<b>\$ 2,376,423</b>	<b>\$ -</b>	<b>\$ 243,506</b>	<b>\$ 2,132,917</b>	<b>\$ 227,917</b>

B. Notes Payable

The Village has outstanding notes payable at April 30, 2008:

\$875,000 note payable, dated September 1, 1990, was issued in connection with an annexation agreement with a developer for the creation of the business district development fund. The nonrecourse note is for \$875,000, payable in quarterly installments of \$9,375 beginning January 15, 1991 through October 15, 2000 with quarterly payments increasing to \$12,500 beginning January 15, 2001 through October 15, 2010. There is no interest on this note.

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

B. Notes Payable (Continued)

Changes in notes payable for the year ended April 30, 2008 are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Mill Creek Note Payable	Business District Development	\$ 175,000	\$ -	\$ 50,000	\$ 125,000	\$ 50,000
<b>TOTAL NOTES PAYABLE</b>		<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 125,000</b>	<b>\$ 50,000</b>

C. Debt Service Requirements to Maturity

Fiscal Year Ending April 30,	Installment Contracts		Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 227,917	\$ 106,960	\$ 50,000	\$ -
2010	209,000	95,031	50,000	-
2011	220,000	84,535	25,000	-
2012	236,000	73,351	-	-
2013	252,000	61,206	-	-
2014	263,000	48,053	-	-
2015	279,000	34,166	-	-
2016	55,000	19,139	-	-
2017	56,000	16,710	-	-
2018	30,000	14,188	-	-
2019	30,000	12,964	-	-
2020	35,000	11,728	-	-
2021	35,000	10,272	-	-
2022	35,000	8,802	-	-
2023	40,000	7,323	-	-
2024	40,000	5,617	-	-
2025	45,000	3,901	-	-
2026	45,000	1,957	-	-
<b>TOTAL</b>	<b>\$ 2,132,917</b>	<b>\$ 615,903</b>	<b>\$ 125,000</b>	<b>\$ -</b>

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

D. 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	\$ 2,376,423	\$ -	\$ 243,506	\$ 2,132,917	\$ 227,917
Notes payable	175,000	-	50,000	125,000	50,000
Compensated absences payable*	115,766	174,612	115,766	174,612	26,192
Net pension obligation	27,643	-	27,643	-	-
<b>TOTAL GOVERNMENTAL LONG-TERM LIABILITIES</b>	<b>\$ 2,694,832</b>	<b>\$ 174,612</b>	<b>\$ 436,915</b>	<b>\$ 2,432,529</b>	<b>\$ 304,109</b>

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

E. 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 \$107,784 at April 30, 2008. Special Assessment 96-1B has a remaining public benefit portion of \$289,148 at April 30, 2008. Debt service to maturity on these two obligations is as follows:

Fiscal Year Ending April 30,	Public Benefit Special Assessments	
	Principal	Interest
2009	\$ 37,710	\$ 18,906
2010	37,710	17,168
2011	37,710	15,316
2012	37,710	13,464
2013	37,710	11,643
2014	37,710	9,759
2015	37,710	8,383
2016	37,710	6,520
2017	37,710	4,670
2018	37,710	2,794
2019	19,232	931
<b>TOTAL</b>	<b>\$ 396,332</b>	<b>\$ 109,554</b>

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

E. Proprietary Debt (Continued)

The Village issued \$450,000 Series 2004 General Obligation Alternate Revenue Bonds, dated November 4, 2004, were 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 semiannually 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.

The Village issued \$450,000 Series 2005 General Obligation Alternate Revenue Bonds, dated November 14, 2005, were 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 semiannually 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.

Debt service to maturity on these bonds is as follows:

Fiscal Year Ending April 30,	Alternate Revenue Bonds	
	Principal	Interest
2009	\$ 55,000	\$ 28,137
2010	55,000	26,522
2011	55,000	24,790
2012	60,000	22,965
2013	60,000	20,910
2014	65,000	18,780
2015	65,000	16,403
2016	70,000	13,978
2017	70,000	11,317
2018	70,000	8,605
2019	70,000	5,857
2020	75,000	3,057
<b>TOTAL</b>	<b>\$ 770,000</b>	<b>\$ 201,321</b>

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

E. Proprietary Debt (Continued)

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 assessments payable	\$ 434,042	\$ -	\$ 37,710	\$ 396,332	\$ 37,710
Alternate revenue bonds payable	825,000	-	55,000	770,000	55,000
Installment contracts payable	11,790	-	11,790	-	-
Compensated absences payable	12,041	21,113	12,041	21,113	3,167
<b>TOTAL BUSINESS-TYPE LONG-TERM LIABILITIES</b>	<b>\$ 1,282,873</b>	<b>\$ 21,113</b>	<b>\$ 116,541</b>	<b>\$ 1,187,445</b>	<b>\$ 95,877</b>

F. Special Assessment Bonds

Special assessment bonds outstanding as of April 30, 2008 totaled \$4,009,780. 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.

9. INTERFUND ACCOUNTS

Due from/to other funds at April 30, 2008 consist of the following:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Motor Fuel Tax	Nonmajor Business-Type Commuter Parking Lot	\$ 9,949

The purposes of significant due to/due from other funds are as follows:

The Commuter Parking Lot Fund has amounts due to the Motor Fuel Tax Fund in the amount of \$9,949 representing labor and material costs funded by the Motor Fuel Tax Fund that will be reimbursed from Commuter Parking Lot Funds within one year.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. INTERFUND ACCOUNTS (Continued)

Interfund transfers during the year ended April 30, 2008 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 66,358	\$ 56,000
Nonmajor Governmental		
Special Revenue - Police Forfeiture Fund	-	66,358
Special Revenue - Business District Fund	56,000	-
	<u>56,000</u>	<u>-</u>
 TOTAL	 <u>\$ 122,358</u>	 <u>\$ 122,358</u>

The purpose of the interfund transfer is as follows:

\$56,000 transferred to the Special Revenue - Business District Fund from the General Fund. This relates to a routine transfer from the General Fund to the Business District Fund for the payment of debt service. The transfer will not be repaid.

\$66,358 transferred from the Special Revenue - Police Forfeiture Fund to the General Fund. This relates to purchases of police vehicles in the General Fund. The transfer will not be repaid.

10. CONTINGENT LIABILITIES

Litigation

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

Development Agreement

The Village entered into a development agreement during the year ended April 30, 2007. Under the agreement, the Village must remit 85% of cell tower rentals received by the Village to the developer up to \$223,000. As of April 30, 2008, the Village has remitted a total of \$108,482 to the developer.

11. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the two plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. Neither of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight 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 the IMRF as specified by statute. The employer contribution for the year ended December 31, 2007 was 8.73% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2008, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	2
Nonvested	8
	<hr/>
TOTAL	<hr/> <u>12</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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 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 eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS 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. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Police Pension Plan. The costs of administering the Police Pension Plan are financed through investment earnings. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. The Village has until the year 2042 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2008, the Village's contribution was 34.34% of covered payroll.

B. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan. Information for the IMRF is not available.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2005	April 30, 2007
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	26 Years, Closed	31 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	Not Available

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual pension cost (APC)	2005	\$ 83,316	2006	\$ 119,727
	2006	93,291	2007	137,016
	2007	105,601	2008	163,954
Actual contribution	2005	83,316	2006	118,867
	2006	93,291	2007	136,312
	2007	105,601	2008	202,122
Percentage of APC contributed	2005	100.00%	2006	99.28%
	2006	100.00%	2007	99.49%
	2007	100.00%	2008	123.28%
NPO (Asset)	2005	\$ -	2006	\$ 27,098
	2006	-	2007	27,643
	2007	-	2008	(10,525)

The NPO has been calculated as follows:

	Police Pension
Annual required contribution	\$ 163,251
Interest on net pension obligation	2,004
Adjustment to annual required contribution	(1,301)
Annual pension cost	163,954
Contributions made	202,122
Decrease in net pension obligation	(38,168)
Net pension obligation beginning of year	27,643
NET PENSION (ASSET) END OF YEAR	\$ (10,525)

12. 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 Government 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:

1. 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 or activities.

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

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most 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 projects 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 governmental funds:

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

12. COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

2. Measurement Focus, 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 period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures, if any, are recorded only when payment is due.

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 expenditure 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.

12. COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

2. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)

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.

3. 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.

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.

12. COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY (Continued)

B. Deposits and Investments (Continued)

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. The U.S. Agency and Treasury obligations 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 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 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. At April 30, 2008, the Library had greater than five percent of its overall portfolio invested in Illinois Funds.

C. Receivables

Property taxes for the 2007 levy year attach as an enforceable lien on January 1, 2007, 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, 2008 and September 1, 2008, and are payable in two installments, on or about March 1, 2007 and October 1, 2008.

VILLAGE OF PALOS PARK, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

12. COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY (Continued)

C. Receivables (Continued)

The County collects such taxes and remits them periodically. The second half collections of the 2006 levy and the first half collections of 2007 are intended to finance the 2008 fiscal year. The remaining collections of the 2007 levy are not considered available for current operations and are, therefore, shown as deferred revenue. The 2008 tax levy has not been recorded as a receivable at April 30, 2008, as the tax attached as a lien on property as of January 1, 2008; however, the tax will not be levied until December 2008 and, accordingly, is not measurable at April 30, 2008.

D. Capital Assets

Capital asset activity for the Library for the year ended April 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<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	410,588	11,076	-	421,664
Total capital assets being depreciated	433,968	11,076	-	445,044
Less accumulated depreciation for				
Land improvements	10,910	780	-	11,690
Buildings and improvements	184,644	10,541	-	195,185
Total accumulated depreciation	195,554	11,321	-	206,875
Total capital assets being depreciated, net	238,414	(245)	-	238,169
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 249,114</b>	<b>\$ (245)</b>	<b>\$ -</b>	<b>\$ 248,869</b>

Depreciation expense of \$11,321 was charged to culture and recreation.

VILLAGE OF PALOS PARK, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

---

12. COMPONENT UNIT - PALOS PARK PUBLIC LIBRARY (Continued)

E. Long-Term Debt

Changes in Long-Term Liabilities

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

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
Compensated absences payable	\$ 4,551	\$ 6,502	\$ 4,551	\$ 6,502	\$ 6,502
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b>\$ 4,551</b>	<b>\$ 6,502</b>	<b>\$ 4,551</b>	<b>\$ 6,502</b>	<b>\$ 6,502</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			Variance Over (Under)	2007 Actual
	Original Budget	Final Budget	Actual		
<b>REVENUES</b>					
Taxes					
Property tax	\$ 1,019,000	\$ 1,019,000	\$ 1,014,455	\$ (4,545)	\$ 956,234
State sales tax	750,000	750,000	750,753	753	707,661
State income tax	407,943	407,943	431,732	23,789	395,205
Utility tax	797,225	797,225	603,983	(193,242)	558,092
Other taxes	157,593	157,593	151,078	(6,515)	147,006
Licenses, permits and inspections	592,468	592,468	653,044	60,576	505,647
Intergovernmental	148,000	148,000	26,994	(121,006)	73,921
Charges for services	43,472	43,472	34,966	(8,506)	52,548
Fees by agreement	602,426	602,426	620,443	18,017	596,859
Fines and forfeits	97,500	97,500	112,017	14,517	93,637
Investment income	33,815	33,815	36,851	3,036	57,582
Miscellaneous	20,725	20,725	90,961	70,236	52,410
<b>Total revenues</b>	<b>4,670,167</b>	<b>4,670,167</b>	<b>4,527,277</b>	<b>(142,890)</b>	<b>4,196,802</b>
<b>EXPENDITURES</b>					
Current					
General government	832,151	832,151	802,126	(30,025)	757,685
Public safety	1,770,056	1,759,056	1,864,814	105,758	1,594,351
Public works	377,493	377,493	449,358	71,865	350,659
Building and public grounds	567,127	567,127	528,656	(38,471)	526,515
Culture and recreation	284,401	284,401	276,772	(7,629)	266,367
Solid waste	255,522	255,522	245,040	(10,482)	235,692
Capital outlay	202,900	213,900	114,438	(99,462)	733,931
Debt service					
Principal retirement	247,682	247,682	243,506	(4,176)	221,192
Interest charges and fees	119,508	119,508	123,135	3,627	115,774
<b>Total expenditures</b>	<b>4,656,840</b>	<b>4,656,840</b>	<b>4,647,845</b>	<b>(8,995)</b>	<b>4,802,166</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>13,327</b>	<b>13,327</b>	<b>(120,568)</b>	<b>(133,895)</b>	<b>(605,364)</b>

(This schedule is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008				2007 Actual
	Original Budget	Final Budget	Actual	Variance Over (Under)	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 104,000	\$ 104,000	\$ 66,358	\$ (37,642)	\$ -
Transfers (out)	(69,749)	(69,749)	(56,000)	13,749	(60,200)
Issuance of installment contracts	-	-	-	-	653,599
Proceeds from sale of assets	9,000	9,000	3,239	(5,761)	16,576
Total other financing sources (uses)	43,251	43,251	13,597	(29,654)	609,975
NET CHANGE IN FUND BALANCE	\$ 56,578	\$ 56,578	(106,971)	\$ (163,549)	4,611
FUND BALANCE, MAY 1			1,370,220		1,365,609
FUND BALANCE, APRIL 30			\$ 1,263,249		\$ 1,370,220

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2008

---

A. Budgets

Budgets are adopted on the cash basis, which is not materially different than 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:

1. All departments of the Village submit requests for appropriations to the Village Administrator 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.
2. 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.
3. The Appropriations Ordinance, based on the budget, is published for public hearing to obtain taxpayer comment. The appropriations ordinance serves as an appropriation authorization.
4. The Appropriations Ordinance is legally enacted through the passage of an ordinance.
5. The Village Administrator 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.

B. Expenditures in Excess of Budget

The following funds had operating expenses/expenditures excluding depreciation in excess of budget as of April 30, 2008.

Fund	Original and Final Budget	Expenditures
Motor Fuel Tax	\$ 171,221	\$ 151,630
Business District Development	56,180	56,000

VILLAGE OF PALOS PARK, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2002	\$ 2,312,139	\$ 2,411,034	95.90%	\$ 98,895	\$ 904,015	10.94%
2003	2,220,678	2,112,825	105.10%	(107,853)	882,192	(12.23%)
2004	2,053,164	1,958,947	104.81%	(94,217)	966,472	(9.75%)
2005	2,065,773	2,094,035	98.65%	28,262	1,042,756	2.71%
2006	2,130,411	2,179,634	97.74%	49,223	1,140,481	4.32%
2007	2,234,081	2,763,079	80.85%	528,998	1,209,639	43.73%

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2008

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2003	\$ 163,510	\$ 1,504,948	10.86%	\$ 1,341,438	\$ 424,164	316.25%
2004	307,717	1,355,388	22.70%	1,047,671	357,302	293.22%
2005	425,596	1,590,647	26.76%	1,165,051	430,772	270.46%
2006	562,566	1,913,031	29.41%	1,350,465	509,036	265.30%
2007	694,196	1,949,220	35.61%	1,255,024	538,269	233.16%
2008	951,601	2,395,755	39.72%	1,444,154	588,522	245.39%

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

---

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2002	\$ 121,122	\$ 121,122	100.00%
2003	80,985	80,985	100.00%
2004	67,943	67,943	100.00%
2005	83,316	83,316	100.00%
2006	93,291	93,291	100.00%
2007	105,601	105,601	100.00%

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2008

---

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
2003	\$ 45,968	\$ 68,953	66.67%	\$ 22,985
2004	138,753	140,440	98.80%	25,316
2005	116,566	116,566	100.00%	26,238
2006	118,867	118,867	100.00%	27,098
2007	136,312	136,312	100.00%	27,643
2008	202,122	163,251	123.81%	(10,525)

(See independent auditor's report.)

## **MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
GENERAL FUND

April 30, 2008  
(With Comparative Actual)

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 816,091	\$ 1,082,914
Investments	389,740	368,157
Receivables		
Property taxes	567,263	572,948
State sales tax	171,176	164,188
Other intergovernmental	122,882	118,027
Accounts, net of allowance for uncollectible receivables	211,972	88,374
Due from other funds	-	44,772
Due from component unit	582	-
Prepaid items	81,614	40,754
<b>TOTAL ASSETS</b>	<b>\$ 2,361,320</b>	<b>\$ 2,480,134</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 405,567	\$ 458,615
Deposits payable	4,140	6,925
Wages payable	92,502	71,568
Due to other governments	6,608	6,608
Due to fiduciary fund	21,991	-
Deferred revenue	567,263	566,198
<b>Total liabilities</b>	<b>1,098,071</b>	<b>1,109,914</b>
<b>FUND BALANCE</b>		
Reserved for prepaid items	81,614	40,754
Unreserved		
Undesignated	1,181,635	1,329,466
<b>Total fund balance</b>	<b>1,263,249</b>	<b>1,370,220</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,361,320</b>	<b>\$ 2,480,134</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND

For the Year Ended April 30, 2008  
 (with comparative actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General government</b>				
<b>Administration</b>				
Wages	\$ 233,019	\$ 258,098	\$ 25,079	\$ 233,142
Benefits	101,673	103,079	1,406	95,459
Insurance	12,600	9,725	(2,875)	10,897
Legal fees	43,200	48,328	5,128	96,854
Consultants, engineers and planners	73,000	23,082	(49,918)	13,990
Other contractual services	52,600	52,073	(527)	45,452
Commodities	55,390	53,413	(1,977)	40,905
<b>Total administration</b>	<b>571,482</b>	<b>547,798</b>	<b>(23,684)</b>	<b>536,699</b>
<b>Public affairs</b>				
Insurance	1,050	838	(212)	724
Legal fees	500	2,533	2,033	290
Consultants, engineers and planners	1,102	1,102	-	6,600
Other contractual services	43,898	29,144	(14,754)	29,837
Commodities	6,800	4,860	(1,940)	8,394
<b>Total public affairs</b>	<b>53,350</b>	<b>38,477</b>	<b>(14,873)</b>	<b>45,845</b>
<b>Finance</b>				
Wages	149,747	155,792	6,045	138,090
Benefits	56,541	55,411	(1,130)	47,573
Insurance	4,200	3,521	(679)	3,040
Legal fees	14,000	24,809	10,809	28,553
Other contractual services	43,831	39,635	(4,196)	27,853
Commodities	5,500	3,857	(1,643)	3,385
<b>Total finance</b>	<b>273,819</b>	<b>283,025</b>	<b>9,206</b>	<b>248,494</b>
<b>Other</b>				
Legal fees	500	-	(500)	-
Other contractual services	3,000	2,826	(174)	6,647
<b>Total other</b>	<b>3,500</b>	<b>2,826</b>	<b>(674)</b>	<b>6,647</b>
<b>Total general government</b>	<b>902,151</b>	<b>872,126</b>	<b>(30,025)</b>	<b>837,685</b>
<b>Less administrative charges</b>	<b>(70,000)</b>	<b>(70,000)</b>	<b>-</b>	<b>(80,000)</b>
<b>Net general government</b>	<b>832,151</b>	<b>802,126</b>	<b>(30,025)</b>	<b>757,685</b>

(This schedule is continued on the following pages.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2008  
(with comparative actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
EXPENDITURES (Continued)				
Current (Continued)				
Public safety				
Wages	\$ 966,598	\$ 983,293	\$ 16,695	\$ 902,440
Benefits	433,463	475,105	41,642	400,743
Insurance	33,600	40,936	7,336	29,414
Legal fees	7,400	27,398	19,998	14,576
Other contractual services	165,100	162,011	(3,089)	147,633
Commodities	152,895	176,071	23,176	99,545
Total public safety	1,759,056	1,864,814	105,758	1,594,351
Public works				
Wages	129,532	163,129	33,597	148,658
Benefits	52,796	74,381	21,585	57,145
Insurance	14,700	7,355	(7,345)	14,754
Legal fees	3,000	14,356	11,356	2,150
Consultants, engineers and planners	25,865	63,800	37,935	7,714
Other contractual services	119,000	78,953	(40,047)	83,731
Commodities	32,600	47,384	14,784	36,507
Total public works	377,493	449,358	71,865	350,659
Building and public grounds				
Building				
Wages	167,452	169,454	2,002	151,478
Benefits	79,885	78,742	(1,143)	75,853
Insurance	6,300	5,574	(726)	4,705
Legal fees	27,000	43,168	16,168	45,946
Consultants, engineers and planners	95,000	100,977	5,977	90,923
Other contractual services	26,700	18,162	(8,538)	17,262
Commodities	9,480	8,290	(1,190)	8,322
Total building	411,817	424,367	12,550	394,489
Public grounds				
Insurance	3,675	3,102	(573)	2,678
Legal fees	500	-	(500)	-
Consultants, engineers and planners	5,000	1,562	(3,438)	3,526
Other contractual services	133,635	85,220	(48,415)	82,101
Commodities	12,500	14,405	1,905	43,721
Total public grounds	155,310	104,289	(51,021)	132,026
Total building and public grounds	567,127	528,656	(38,471)	526,515

(This schedule is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2008  
(with comparative actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
EXPENDITURES (Continued)				
Current (Continued)				
Culture and recreation				
Recreation				
Wages	\$ 120,094	\$ 119,402	\$ (692)	\$ 106,977
Benefits	33,047	31,347	(1,700)	29,486
Insurance	9,450	7,797	(1,653)	6,732
Legal fees	500	27	(473)	180
Consultants, engineers and planners	750	198	(552)	376
Other contractual services	81,010	80,264	(746)	74,833
Commodities	39,550	37,089	(2,461)	38,848
Total recreation	284,401	276,124	(8,277)	257,432
Festivals				
Entertainment	-	-	-	1,200
Advertising	-	142	142	1,851
Banners and signs	-	-	-	145
Supplies and prizes	-	83	83	1,930
Equipment	-	248	248	1,473
Other contractual services	-	175	175	2,336
Total festivals	-	648	648	8,935
Total culture and recreation	284,401	276,772	(7,629)	266,367
Solid waste				
Other contractual services	255,522	245,040	(10,482)	235,692
Total solid waste	255,522	245,040	(10,482)	235,692
Capital outlay				
Administration	25,000	2,168	(22,832)	-
Police	85,500	64,858	(20,642)	16,575
Public works	72,100	27,096	(45,004)	83,599
Other	31,300	20,316	(10,984)	633,757
Total capital outlay	213,900	114,438	(99,462)	733,931
Debt service				
Principal retirement				
Administration	247,682	243,506	(4,176)	221,192
Interest charges and fees				
Administration	119,508	123,135	3,627	115,774
Total debt service	367,190	366,641	(549)	336,966
TOTAL EXPENDITURES	\$ 4,656,840	\$ 4,647,845	\$ (8,995)	\$ 4,802,166

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL 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 Business District Development Fund is used to account for payment of Promissory Note #2, an annexation agreement with the Shoppes at Mill Creek developers that refunds a portion of the sales taxes generated. The debt obligation is \$50,000 annually, with Note #2 expiring in 2011. Part of the sales taxes rebated through this agreement reimburses the owners for certain costs associated with the maintenance and improvement of the property.

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 spent expressly on 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 Portico Court Fund is used to account for residential donations to the brick courtyard at the Village's Recreation Center. The donor's name and year of residence is inscribed on one of the bricks in the courtyard. Revenues are spent on exterior building and landscaping improvements of Village municipal properties.

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2008

	Special Revenue	Capital Projects	Total
<b>ASSETS</b>			
Cash and investments	\$ 274,323	\$ 421,251	\$ 695,574
Receivables			
Sales tax	-	43,509	43,509
Motor fuel tax allotments	10,497	-	10,497
Due from other funds	9,949	-	9,949
Prepaid items	2,400	-	2,400
<b>TOTAL ASSETS</b>	<b>\$ 297,169</b>	<b>\$ 464,760</b>	<b>\$ 761,929</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 20,831	\$ -	\$ 20,831
Wages payable	783	-	783
Deferred revenue	16,139	-	16,139
<b>Total liabilities</b>	<b>37,753</b>	<b>-</b>	<b>37,753</b>
<b>FUND BALANCES</b>			
Reserved for prepaid items	2,400	-	2,400
Reserved for public safety	9,276	-	9,276
Reserved for public works	66,719	-	66,719
Reserved for culture and recreation	44,471	-	44,471
Unreserved			
Special Revenue	136,550	-	136,550
Capital Projects	-	464,760	464,760
<b>Total fund balances</b>	<b>259,416</b>	<b>464,760</b>	<b>724,176</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 297,169</b>	<b>\$ 464,760</b>	<b>\$ 761,929</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	Special Revenue	Capital Projects	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ 192,637	\$ 192,637
Intergovernmental	132,706	-	132,706
Charges for services	63,219	-	63,219
Fines and forfeits	75,490	-	75,490
Investment income	10,822	17,946	28,768
Miscellaneous	300	-	300
<b>Total revenues</b>	<b>282,537</b>	<b>210,583</b>	<b>493,120</b>
<b>EXPENDITURES</b>			
Current			
General government	6,180	-	6,180
Public safety	6,786	-	6,786
Public works	74,725	-	74,725
Building and public grounds	-	132,929	132,929
Culture and recreation	27,934	-	27,934
Debt service			
Principal	50,000	-	50,000
Capital outlay	125,251	-	125,251
<b>Total expenditures</b>	<b>290,876</b>	<b>132,929</b>	<b>423,805</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,339)</b>	<b>77,654</b>	<b>69,315</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	56,000	-	56,000
Transfers (out)	(66,358)	-	(66,358)
<b>Total other financing sources (uses)</b>	<b>(10,358)</b>	<b>-</b>	<b>(10,358)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(18,697)</b>	<b>77,654</b>	<b>58,957</b>
<b>FUND BALANCES, MAY 1</b>	<b>278,113</b>	<b>387,106</b>	<b>665,219</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 259,416</b>	<b>\$ 464,760</b>	<b>\$ 724,176</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2008

	Motor Fuel Tax	Police Forfeiture	Business District Development
<b>ASSETS</b>			
Cash and investments	\$ 48,612	\$ 26,010	\$ 13,416
Motor fuel tax allotments receivable	10,497	-	-
Due from other funds	9,949	-	-
Prepaid items	-	2,400	-
<b>TOTAL ASSETS</b>	<b>\$ 69,058</b>	<b>\$ 28,410</b>	<b>\$ 13,416</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,556	\$ 595	\$ 18,680
Wages payable	783	-	-
Deferred revenue	-	16,139	-
<b>Total liabilities</b>	<b>2,339</b>	<b>16,734</b>	<b>18,680</b>
<b>FUND BALANCES</b>			
Reserved for prepaid items	-	2,400	-
Reserved for public safety	-	9,276	-
Reserved for public works	66,719	-	-
Reserved for culture and recreation	-	-	-
Unreserved (deficit)	-	-	-
Undesignated	-	-	(5,264)
<b>Total fund balances</b>	<b>66,719</b>	<b>11,676</b>	<b>(5,264)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 69,058</b>	<b>\$ 28,410</b>	<b>\$ 13,416</b>

Exaction Fee	Fine Arts	Portico Court	Land Acquisition and Recreation	Total
\$ 98,410	\$ 42,653	\$ 1,818	\$ 43,404	\$ 274,323
-	-	-	-	10,497
-	-	-	-	9,949
-	-	-	-	2,400
<u>\$ 98,410</u>	<u>\$ 42,653</u>	<u>\$ 1,818</u>	<u>\$ 43,404</u>	<u>\$ 297,169</u>
\$ -	\$ -	\$ -	\$ -	\$ 20,831
-	-	-	-	783
-	-	-	-	16,139
-	-	-	-	37,753
-	-	-	-	2,400
-	-	-	-	9,276
-	-	-	-	66,719
-	42,653	1,818	-	44,471
<u>98,410</u>	<u>-</u>	<u>-</u>	<u>43,404</u>	<u>136,550</u>
<u>98,410</u>	<u>42,653</u>	<u>1,818</u>	<u>43,404</u>	<u>259,416</u>
<u>\$ 98,410</u>	<u>\$ 42,653</u>	<u>\$ 1,818</u>	<u>\$ 43,404</u>	<u>\$ 297,169</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2008

	Motor Fuel Tax	Police Forfeiture	Business District Development
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 130,906	\$ -	\$ -
Grant income	-	-	-
Charges for services			
Exaction fees	-	-	-
Event fees	-	-	-
Fines and forfeits	-	75,490	-
Investment income	3,690	409	604
Miscellaneous income			
Donations	-	-	-
Total revenues	<u>134,596</u>	<u>75,899</u>	<u>604</u>
<b>EXPENDITURES</b>			
Current			
General government	-	-	6,180
Public safety	-	6,786	-
Public works	74,725	-	-
Culture and recreation	-	-	-
Debt service			
Principal	-	-	50,000
Capital outlay	96,496	2,755	-
Total expenditures	<u>171,221</u>	<u>9,541</u>	<u>56,180</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,625)	66,358	(55,576)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	56,000
Transfers (out)	-	(66,358)	-
Total other financing sources (uses)	<u>-</u>	<u>(66,358)</u>	<u>56,000</u>
NET CHANGE IN FUND BALANCES	(36,625)	-	424
FUND BALANCES (DEFICIT), MAY 1	<u>103,344</u>	<u>11,676</u>	<u>(5,688)</u>
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 66,719</u>	<u>\$ 11,676</u>	<u>\$ (5,264)</u>

Exaction Fee	Fine Arts	Portico Court	Land Acquisition and Recreation	Total
\$ -	\$ -	\$ -	\$ -	\$ 130,906
-	1,800	-	-	1,800
28,883	-	-	-	28,883
-	34,336	-	-	34,336
-	-	-	-	75,490
5,144	29	15	931	10,822
-	300	-	-	300
34,027	36,465	15	931	282,537
-	-	-	-	6,180
-	-	-	-	6,786
-	-	-	-	74,725
-	27,934	-	-	27,934
-	-	-	-	50,000
26,000	-	-	-	125,251
26,000	27,934	-	-	290,876
8,027	8,531	15	931	(8,339)
-	-	-	-	56,000
-	-	-	-	(66,358)
-	-	-	-	(10,358)
8,027	8,531	15	931	(18,697)
90,383	34,122	1,803	42,473	278,113
\$ 98,410	\$ 42,653	\$ 1,818	\$ 43,404	\$ 259,416

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
MOTOR FUEL TAX FUND

April 30, 2008  
(With Comparative Actual)

	2008	2007
<b>ASSETS</b>		
Cash and investments	\$ 48,612	\$ 91,253
Motor fuel tax allotments receivable	10,497	11,142
Due from other funds	9,949	949
<b>TOTAL ASSETS</b>	<b>\$ 69,058</b>	<b>\$ 103,344</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,556	\$ -
Wages payable	783	-
<b>Total liabilities</b>	<b>2,339</b>	<b>-</b>
<b>FUND BALANCE</b>		
Unreserved	66,719	103,344
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 69,058</b>	<b>\$ 103,344</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
Motor fuel taxes	\$ 134,105	\$ 130,906	\$ (3,199)	\$ 136,432
Investment income	4,000	3,690	(310)	5,004
Total revenues	138,105	134,596	(3,509)	141,436
<b>EXPENDITURES</b>				
Current				
Public works				
Personnel	-	783	783	-
Professional services	10,000	-	(10,000)	20,095
Supplies	45,630	73,942	28,312	33,138
Capital outlay	96,000	96,496	496	82,000
Total expenditures	151,630	171,221	19,591	135,233
NET CHANGE IN FUND BALANCE	<u>\$ (13,525)</u>	<u>(36,625)</u>	<u>\$ (23,100)</u>	6,203
FUND BALANCE, MAY 1		<u>103,344</u>		<u>97,141</u>
FUND BALANCE, APRIL 30		<u>\$ 66,719</u>		<u>\$ 103,344</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
POLICE FORFEITURE FUND

April 30, 2008  
(With Comparative Actual)

	2008	2007
<b>ASSETS</b>		
Cash and investments	\$ 26,010	\$ 24,819
Prepaid items	2,400	-
<b>TOTAL ASSETS</b>	<b>\$ 28,410</b>	<b>\$ 24,819</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 595	\$ -
Deferred revenue	16,139	13,143
<b>Total liabilities</b>	<b>16,734</b>	<b>13,143</b>
<b>FUND BALANCE</b>		
Reserved for prepaid items	2,400	-
Reserved for public safety	9,276	11,676
<b>Total fund balance</b>	<b>11,676</b>	<b>11,676</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 26,010</b>	<b>\$ 24,819</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE FORFEITURE FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Fines and forfeits	\$ 100,000	\$ 75,490	\$ (24,510)	\$ 17,533
Investment income	220	409	189	242
Total revenues	<u>100,220</u>	<u>75,899</u>	<u>(24,321)</u>	<u>17,775</u>
<b>EXPENDITURES</b>				
Current				
Police				
Supplies	2,000	2,524	524	3,109
Contractual services	6,000	4,262	(1,738)	8,188
Capital outlay	3,000	2,755	(245)	6,478
Total expenditures	<u>11,000</u>	<u>9,541</u>	<u>(1,459)</u>	<u>17,775</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	89,220	66,358	(22,862)	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(89,000)	(66,358)	22,642	-
NET CHANGE IN FUND BALANCE	<u>\$ 220</u>	<u>-</u>	<u>\$ (220)</u>	<u>-</u>
FUND BALANCE, MAY 1		<u>11,676</u>		<u>11,676</u>
FUND BALANCE, APRIL 30		<u>\$ 11,676</u>		<u>\$ 11,676</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
 BALANCE SHEET  
 BUSINESS DISTRICT DEVELOPMENT FUND

April 30, 2008  
 (With Comparative Actual)

	2008	2007
<b>ASSETS</b>		
Cash and investments	\$ 13,416	\$ 107
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 18,680	\$ 5,795
<b>FUND BALANCE</b>		
Unreserved (deficit)	(5,264)	(5,688)
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 13,416</b>	<b>\$ 107</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUSINESS DISTRICT DEVELOPMENT FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Final Budget	Actual		
REVENUES				
Investment income	\$ 1,000	\$ 604	\$ (396)	\$ 841
EXPENDITURES				
Current				
General government				
Contractual				
Miscellaneous contractual services	-	6,180	6,180	18,760
Debt service				
Principal	56,000	50,000	(6,000)	50,000
Total expenditures	56,000	56,180	180	68,760
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,000)	(55,576)	(576)	(67,919)
OTHER FINANCING SOURCES (USES)				
Transfers in	56,000	56,000	-	60,200
NET CHANGE IN FUND BALANCE	\$ 1,000	424	\$ (576)	(7,719)
FUND BALANCE (DEFICIT), MAY 1		(5,688)		2,031
FUND BALANCE (DEFICIT), APRIL 30		\$ (5,264)		\$ (5,688)

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
EXACTION FEE FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 98,410	\$ 91,847
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ 1,464
FUND BALANCE		
Unreserved	98,410	90,383
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 98,410</u>	<u>\$ 91,847</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
EXACTION FEE FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Charges for services				
Exaction fees	\$ 66,018	\$ 28,883	\$ (37,135)	\$ 69,248
Investment income	5,000	5,144	144	7,359
Total revenues	<u>71,018</u>	<u>34,027</u>	<u>(36,991)</u>	<u>76,607</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>43,000</u>	<u>26,000</u>	<u>(17,000)</u>	<u>86,633</u>
Total expenditures	<u>43,000</u>	<u>26,000</u>	<u>(17,000)</u>	<u>86,633</u>
NET CHANGE IN FUND BALANCE	<u>\$ 28,018</u>	<u>8,027</u>	<u>\$ (19,991)</u>	<u>(10,026)</u>
FUND BALANCE, MAY 1		<u>90,383</u>		<u>100,409</u>
FUND BALANCE, APRIL 30		<u>\$ 98,410</u>		<u>\$ 90,383</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
FINE ARTS FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 42,653	\$ 34,122
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>42,653</u>	<u>34,122</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 42,653</u>	<u>\$ 34,122</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FINE ARTS FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Intergovernmental				
Grant income	\$ 5,000	\$ 1,800	\$ (3,200)	\$ -
Charges for services				
Membership fees	15,000	-	(15,000)	16,745
Event fees	-	34,336	34,336	3,100
Investment income	80	29	(51)	263
Miscellaneous				
Donations	5,000	300	(4,700)	3,111
Raffle ticket sales	-	-	-	3,435
Other	-	-	-	94
Total revenues	25,080	36,465	11,385	26,748
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Contractual services	25,000	27,934	(2,934)	24,407
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 80</u>	8,531	<u>\$ 8,451</u>	2,341
<b>FUND BALANCE, MAY 1</b>		<u>34,122</u>		<u>31,781</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 42,653</u>		<u>\$ 34,122</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
PORTICO COURT FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 1,818	\$ 1,803
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>1,818</u>	<u>1,803</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,818</u>	<u>\$ 1,803</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PORTICO COURT FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Investment income	\$ -	\$ 15	\$ 15	\$ 16
Total revenues	-	15	15	16
EXPENDITURES				
None	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>15</u>	<u>\$ 15</u>	16
FUND BALANCE, MAY 1		<u>1,803</u>		<u>1,787</u>
FUND BALANCE, APRIL 30		<u>\$ 1,818</u>		<u>\$ 1,803</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
BALANCE SHEET  
LAND ACQUISITION AND RECREATION FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 43,404	\$ 42,473
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>43,404</u>	<u>42,473</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 43,404</u>	<u>\$ 42,473</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LAND ACQUISITION AND RECREATION FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Investment income	\$ 2,000	\$ 931	\$ (1,069)	\$ 2,484
Total revenues	2,000	931	(1,069)	2,484
<b>EXPENDITURES</b>				
Capital outlay	39,665	-	(39,665)	2,744
Total expenditures	39,665	-	(39,665)	2,744
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (37,665)</u>	931	<u>\$ 38,596</u>	(260)
FUND BALANCE, MAY 1		<u>42,473</u>		<u>42,733</u>
FUND BALANCE, APRIL 30		<u>\$ 43,404</u>		<u>\$ 42,473</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS

April 30, 2008

	Capital Improvements	1/2% Sales Tax	Total
<b>ASSETS</b>			
Cash and investments	\$ 208,377	\$ 212,874	\$ 421,251
Receivables			
Sales tax	-	43,509	43,509
TOTAL ASSETS	\$ 208,377	\$ 256,383	\$ 464,760
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
None	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>			
Unreserved			
Undesignated	208,377	256,383	464,760
TOTAL LIABILITIES AND FUND BALANCES	\$ 208,377	\$ 256,383	\$ 464,760

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended April 30, 2008

	Capital Improvements	1/2% Sales Tax	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ 192,637	\$ 192,637
Investment income	9,477	8,469	17,946
Total revenues	9,477	201,106	210,583
<b>EXPENDITURES</b>			
Current			
Building and public grounds	-	132,929	132,929
NET CHANGE IN FUND BALANCES	9,477	68,177	77,654
FUND BALANCES, MAY 1	198,900	188,206	387,106
FUND BALANCES, APRIL 30	\$ 208,377	\$ 256,383	\$ 464,760

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
CAPITAL IMPROVEMENTS FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 208,377	\$ 198,900
TOTAL ASSETS	<u>\$ 208,377</u>	<u>\$ 198,900</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>208,377</u>	<u>198,900</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 208,377</u>	<u>\$ 198,900</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Investment income	\$ 9,000	\$ 9,477	\$ 477	\$ 11,202
Total revenues	9,000	9,477	477	11,202
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,000	9,477	477	11,202
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(20,000)	-	20,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (11,000)</u>	9,477	<u>\$ 20,477</u>	11,202
FUND BALANCE, MAY 1		<u>198,900</u>		<u>187,698</u>
FUND BALANCE, APRIL 30		<u>\$ 208,377</u>		<u>\$ 198,900</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET  
1/2% SALES TAX FUND

April 30, 2008

---

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and investments	\$ 212,874	\$ 147,604
Receivables		
Sales tax	43,509	40,602
	<hr/>	<hr/>
TOTAL ASSETS	\$ 256,383	\$ 188,206
	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCES		
Unreserved		
Undesignated	256,383	188,206
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 256,383	\$ 188,206
	<hr/>	<hr/>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
1/2% SALES TAX FUND

For the Year Ended April 30, 2008

	2008			2007 Actual
	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES</b>				
Taxes				
Sales tax	\$ 193,184	\$ 192,637	\$ (547)	\$ 182,926
Investment income	3,000	8,469	5,469	5,900
Total revenues	196,184	201,106	4,922	188,826
<b>EXPENDITURES</b>				
Current				
Building and public grounds				
Contractual services	12,500	10,889	(1,611)	110,842
Capital outlay	122,000	122,040	40	-
Total expenditures	134,500	132,929	(1,571)	110,842
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	61,684	68,177	6,493	77,984
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(17,190)	-	17,190	-
NET CHANGE IN FUND BALANCE	\$ 44,494	68,177	\$ 23,683	77,984
FUND BALANCE, MAY 1		188,206		110,222
FUND BALANCE, APRIL 30		\$ 256,383		\$ 188,206

(See independent auditor's report.)

## **PROPRIETARY FUNDS**

## **MAJOR ENTERPRISE FUNDS**

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS  
WATER FUND

April 30, 2008  
(With Comparative Actual)

	2008	2007
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 903,601	\$ 871,594
Investments	167,031	157,781
Accounts receivable, net of allowance for uncollectible accounts	117,514	99,465
Prepaid expenses	9,819	4,623
Total current assets	<u>1,197,965</u>	<u>1,133,463</u>
<b>CAPITAL ASSETS</b>		
Capital assets, not being depreciated	20,000	20,000
Capital assets, being depreciated, cost	16,321,922	15,364,417
Less accumulated depreciation	<u>(4,563,159)</u>	<u>(4,149,598)</u>
Net capital assets	<u>11,778,763</u>	<u>11,234,819</u>
Total assets	<u>12,976,728</u>	<u>12,368,282</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	33,237	26,303
Wages payable	10,572	3,887
Accrued interest	5,229	5,732
Compensated absences payable	2,207	1,435
General obligation bonds payable	24,400	24,400
Installment contracts payable	-	11,790
Special assessment bond payable	37,710	37,710
Total current liabilities	<u>113,355</u>	<u>111,257</u>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences payable	12,508	8,131
General obligation bonds payable	316,656	341,056
Special assessment bond payable	358,622	396,332
Total long-term liabilities	<u>687,786</u>	<u>745,519</u>
Total liabilities	<u>801,141</u>	<u>856,776</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	11,041,375	10,423,531
Unrestricted	<u>1,134,212</u>	<u>1,087,975</u>
TOTAL NET ASSETS	<u>\$ 12,175,587</u>	<u>\$ 11,511,506</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,106,185	\$ 871,674	\$ (234,511)	\$ 794,325
Sale of water meters	10,950	10,180	(770)	13,909
Other income	3,500	22,380	18,880	7,531
Total operating revenues	1,120,635	904,234	(216,401)	815,765
<b>OPERATING EXPENSES</b>				
Personnel	257,347	279,580	22,233	195,904
Commodities	25,200	18,578	(6,622)	16,724
Water purchases	283,240	290,493	7,253	264,818
Services	546,887	279,704	(267,183)	197,330
Capital outlay	2,110,000	41,552	(2,068,448)	697,226
Total operating expenses	3,222,674	909,907	(2,312,767)	1,372,002
OPERATING INCOME (LOSS)	(2,102,039)	(5,673)	2,096,366	(556,237)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	31,300	52,763	21,463	54,430
Rental income	32,333	33,946	1,613	33,440
Tap-on fees	127,900	75,238	(52,662)	204,110
Contribution revenue	-	957,505	957,505	450,000
Bond proceeds	2,200,000	-	(2,200,000)	-
Debt principal payment	(73,233)	(70,833)	2,400	(70,833)
Interest expense	(35,021)	(36,137)	(1,116)	(36,722)
Total nonoperating revenues (expenses)	2,283,279	1,012,482	(1,270,797)	634,425
NET INCOME BUDGETARY BASIS	\$ 181,240	1,006,809	\$ 825,569	78,188

(This schedule is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL (Continued)  
 WATER FUND

For the Year Ended April 30, 2008  
 (With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
ADJUSTMENTS TO GAAP BASIS				
Debt principal payment		\$ 70,833		\$ 70,833
Capitalized assets		-		644,757
Depreciation		<u>(413,561)</u>		<u>(389,623)</u>
Total adjustments to GAAP basis		<u>(342,728)</u>		<u>325,967</u>
NET INCOME - GAAP BASIS		664,081		404,155
NET ASSETS, MAY 1		<u>11,511,506</u>		<u>11,107,351</u>
NET ASSETS, APRIL 30		<u><u>\$ 12,175,587</u></u>		<u><u>\$ 11,511,506</u></u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS  
SEWER MAINTENANCE FUND

April 30, 2008  
(With Comparative Actual)

	2008	2007
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 631,419	\$ 710,853
Accounts receivable, net of allowance for uncollectible accounts	29,070	20,871
Prepaid expenses	7,498	4,121
Total current assets	<u>667,987</u>	<u>735,845</u>
<b>CAPITAL ASSETS</b>		
Capital assets, being depreciated, cost	16,787,784	15,463,784
Less accumulated depreciation	(4,814,101)	(4,391,247)
Net capital assets	<u>11,973,683</u>	<u>11,072,537</u>
Total assets	<u>12,641,670</u>	<u>11,808,382</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	10,673	2,689
Accrued interest	6,590	6,942
Wages payable	5,181	1,499
Compensated absences payable	960	371
General obligation bonds payable	30,600	30,600
Total current liabilities	<u>54,004</u>	<u>42,101</u>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences payable	5,438	2,104
General obligation bonds payable	398,344	428,944
Total long-term liabilities	<u>403,782</u>	<u>431,048</u>
Total liabilities	<u>457,786</u>	<u>473,149</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	11,544,739	10,612,993
Unrestricted	639,145	722,240
TOTAL NET ASSETS	<u>\$ 12,183,884</u>	<u>\$ 11,335,233</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
SEWER MAINTENANCE FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 160,000	\$ 172,091	\$ 12,091	\$ 153,689
Other income	3,400	3,260	(140)	9,934
Total operating revenues	163,400	175,351	11,951	163,623
<b>OPERATING EXPENSES</b>				
Personnel	120,815	126,521	5,706	92,624
Commodities	59,510	8,370	(51,140)	8,124
Services	110,500	95,826	(14,674)	64,950
Capital outlay	25,000	56,108	31,108	268,244
Total operating expenses	315,825	286,825	(29,000)	433,942
OPERATING INCOME (LOSS)	(152,425)	(111,474)	40,951	(270,319)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	30,000	31,716	1,716	37,225
Tap-on fees	188,850	43,446	(145,404)	245,421
Contribution revenue	-	1,273,692	1,273,692	60,000
Bond proceeds	30,000	-	(30,000)	-
Principal	(30,600)	(30,600)	-	(28,000)
Interest expense	(16,535)	(16,183)	352	(16,476)
Other nonoperating expense	-	-	-	4,521
Total nonoperating revenues (expenses)	201,715	1,302,071	1,100,356	302,691
NET INCOME - BUDGETARY BASIS	\$ 49,290	1,190,597	\$ 1,141,307	32,372

(This schedule is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL (Continued)  
SEWER MAINTENANCE FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
ADJUSTMENTS TO GAAP BASIS				
Debt principal payment		\$ 30,600		\$ 28,000
Capitalized assets		50,308		263,422
Depreciation		<u>(422,854)</u>		<u>(386,229)</u>
Total adjustments to GAAP basis		<u>(341,946)</u>		<u>(94,807)</u>
NET INCOME (LOSS) - GAAP BASIS		848,651		(62,435)
NET ASSETS, MAY 1		<u>11,335,233</u>		<u>11,397,668</u>
NET ASSETS, APRIL 30		<u>\$ 12,183,884</u>		<u>\$ 11,335,233</u>

(See independent auditor's report.)

## **NONMAJOR ENTERPRISE FUNDS**

**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

STATEMENT OF NET ASSETS  
COMMUTER PARKING LOT FUND

April 30, 2008  
(With Comparative Actual)

---

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 31,909	\$ 42,910
Prepaid expenses	1,007	754
	<hr/>	
Total assets	32,916	43,664
	<hr/>	
<b>LIABILITIES</b>		
Accounts payable	2,466	1,024
Due to other funds	9,949	45,721
	<hr/>	
Total liabilities	12,415	46,745
	<hr/>	
<b>NET ASSETS</b>		
Unrestricted (deficit)	\$ 20,501	\$ (3,081)
	<hr/> <hr/>	

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
COMMUTER PARKING LOT FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 89,000	\$ 92,739	\$ 3,739	\$ 70,801
<b>OPERATING EXPENSES</b>				
Commodities	6,500	5,135	(1,365)	3,869
Services	201,010	67,062	(133,948)	95,703
Total operating expenses	207,510	72,197	(135,313)	99,572
<b>OPERATING INCOME (LOSS)</b>	<b>(118,510)</b>	<b>20,542</b>	<b>139,052</b>	<b>(28,771)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant revenue	68,760	-	(68,760)	-
Investment income	500	3,040	2,540	2,046
Total nonoperating revenues (expenses)	69,260	3,040	(66,220)	2,046
<b>CHANGE IN NET ASSETS</b>	<b>\$ (49,250)</b>	<b>23,582</b>	<b>\$ 72,832</b>	<b>(26,725)</b>
<b>NET ASSETS (DEFICIT), MAY 1</b>		<b>(3,081)</b>		<b>23,644</b>
<b>NET ASSETS (DEFICIT), APRIL 30</b>		<b>\$ 20,501</b>		<b>\$ (3,081)</b>

(See independent auditor's report.)

## **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:

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 no commitment special assessment bonds.

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS - BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 140,000	\$ 202,122	\$ 62,122	\$ 136,312
Employee	60,000	56,124	(3,876)	56,470
Total contributions	200,000	258,246	58,246	192,782
Investment income	20,000	57,392	37,392	46,598
Less investment expense	(2,500)	(2,910)	(410)	(2,964)
Net investment income	17,500	54,482	36,982	43,634
Total additions	217,500	312,728	95,228	236,416
<b>DEDUCTIONS</b>				
Benefits and refunds	60,000	52,661	7,339	103,876
Administration	1,500	2,662	(1,162)	910
Total deductions	61,500	55,323	6,177	104,786
<b>NET INCREASE</b>	<u>\$ 156,000</u>	257,405	<u>\$ 101,405</u>	131,630
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>				
May 1		<u>694,196</u>		<u>562,566</u>
April 30		<u>\$ 951,601</u>		<u>\$ 694,196</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deletions	Balances April 30
<b>SPECIAL ASSESSMENT FUND #9</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 114,961	\$ 4,527	\$ 50	\$ 119,438
<b>LIABILITIES</b>				
Due to bondholders	\$ 114,961	\$ 4,527	\$ 50	\$ 119,438
<b>SPECIAL ASSESSMENT FUND #11</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 87,201	\$ 3,434	\$ 50	\$ 90,585
<b>LIABILITIES</b>				
Due to bondholders	\$ 87,201	\$ 3,434	\$ 50	\$ 90,585
<b>SPECIAL ASSESSMENT FUND #12</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 173,914	\$ 6,833	\$ 1,170	\$ 179,577
<b>LIABILITIES</b>				
Due to bondholders	\$ 173,914	\$ 6,833	\$ 1,170	\$ 179,577
<b>SPECIAL ASSESSMENT FUND #93-1</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 519,068	\$ 20,691	\$ 50	\$ 539,709
<b>LIABILITIES</b>				
Due to bondholders	\$ 519,068	\$ 20,691	\$ 50	\$ 539,709
<b>SPECIAL ASSESSMENT FUND #96-1A</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 46,533	\$ 30,149	\$ 29,587	\$ 47,095
<b>LIABILITIES</b>				
Due to bondholders	\$ 46,533	\$ 30,149	\$ 29,587	\$ 47,095

(This statement is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES (Continued)  
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deletions	Balances April 30
<b>SPECIAL ASSESSMENT FUND #96-1B</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 25,088	\$ 78,208	\$ 75,743	\$ 27,553
<b>LIABILITIES</b>				
Due to bondholders	\$ 25,088	\$ 78,208	\$ 75,743	\$ 27,553
<b>SPECIAL ASSESSMENT FUND #13B</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 844,885	\$ 99,415	\$ 70,786	\$ 873,514
<b>LIABILITIES</b>				
Due to bondholders	\$ 844,885	\$ 99,415	\$ 70,786	\$ 873,514
<b>SPECIAL ASSESSMENT FUND #13A</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 372,319	\$ 44,303	\$ 27,306	\$ 389,316
<b>LIABILITIES</b>				
Due to bondholders	\$ 372,319	\$ 44,303	\$ 27,306	\$ 389,316
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,183,969	\$ 287,560	\$ 204,742	\$ 2,266,787
<b>LIABILITIES</b>				
Due to bondholders	\$ 2,183,969	\$ 287,560	\$ 204,742	\$ 2,266,787

(See independent auditor's report.)

**COMPONENT UNIT  
PALOS PARK PUBLIC LIBRARY**

PALOS PARK PUBLIC LIBRARY  
COMPONENT UNIT

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUNDS BALANCE SHEET

April 30, 2008

	General Fund	Adjustments	Statement of Net Assets
<b>ASSETS</b>			
Cash and cash equivalents	\$ 692,520	\$ -	\$ 692,520
Receivables			
Property taxes, net of allowance for losses and costs	183,235	-	183,235
Prepaid items	582	-	582
Capital assets, not being depreciated	-	10,700	10,700
Capital assets, being depreciated, net of accumulated depreciation	-	238,169	238,169
<b>TOTAL ASSETS</b>	<b>\$ 876,337</b>	<b>\$ 248,869</b>	<b>\$ 1,125,206</b>
<b>LIABILITIES AND FUND BALANCES/NET ASSETS</b>			
<b>LIABILITIES</b>			
Wages payable	\$ 8,471	\$ -	\$ 8,471
Compensated absences	-	6,502	6,502
Due to primary government	582	-	582
Deferred revenue	183,235	-	183,235
<b>Total liabilities</b>	<b>192,288</b>	<b>6,502</b>	<b>198,790</b>
<b>FUND BALANCES/NET ASSETS</b>			
Investment in capital assets	-	248,869	248,869
Reserved for culture and recreation	684,049	(6,502)	677,547
<b>Total fund balances/net assets</b>	<b>684,049</b>	<b>242,367</b>	<b>926,416</b>
<b>TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS</b>	<b>\$ 876,337</b>	<b>\$ 248,869</b>	<b>\$ 1,125,206</b>

(See independent auditor's report.)

PALOS PARK PUBLIC LIBRARY  
COMPONENT UNIT

STATEMENT OF ACTIVITIES AND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE/NET ASSETS  
GENERAL FUND

For the Year Ended April 30, 2008

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property taxes	\$ 316,905	\$ -	\$ 316,905
Personal property replacement taxes	6,193	-	6,193
Grants	5,677	-	5,677
Fees for service	12,661	-	12,661
Fines	3,017	-	3,017
Investment income	30,563	-	30,563
Other income	24,058	-	24,058
<b>Total revenues</b>	<b>399,074</b>	<b>-</b>	<b>399,074</b>
<b>EXPENDITURES</b>			
Current			
Culture and recreation			
Wages	181,207	1,951	183,158
Fringe benefits	36,707	-	36,707
Insurance	10,143	-	10,143
Contractual services	117,619	(11,076)	106,543
Commodities	60,101	-	60,101
Capital outlay	120	-	120
Depreciation	-	11,321	11,321
<b>Total expenditures</b>	<b>405,897</b>	<b>2,196</b>	<b>408,093</b>
<b>NET CHANGE IN FUND BALANCE/ NET ASSETS</b>	<b>(6,823)</b>	<b>(2,196)</b>	<b>(9,019)</b>
<b>FUND BALANCE/NET ASSETS, MAY 1</b>	<b>690,872</b>	<b>244,563</b>	<b>935,435</b>
<b>FUND BALANCE/NET ASSETS, APRIL 30</b>	<b>\$ 684,049</b>	<b>\$ 242,367</b>	<b>\$ 926,416</b>

(See independent auditor's report.)

PALOS PARK PUBLIC LIBRARY  
COMPONENT UNIT

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2008  
(With Comparative Actual)

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b>REVENUES</b>				
Property taxes	\$ 309,976	\$ 316,905	\$ 6,929	\$ 297,152
Personal property replacement taxes	5,000	6,193	1,193	5,430
Grants	5,600	5,677	77	5,737
Fees for service	11,800	12,661	861	11,107
Fines	4,000	3,017	(983)	3,735
Investment income	31,600	30,563	(1,037)	32,582
Other income	5,500	24,058	18,558	10,113
Total revenues	<u>373,476</u>	<u>399,074</u>	<u>25,598</u>	<u>365,856</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Wages	173,200	181,207	8,007	154,471
Fringe benefits	38,500	36,707	(1,793)	32,689
Insurance	10,000	10,143	143	8,739
Contractual services	115,300	117,619	2,319	49,516
Commodities	65,476	60,101	(5,375)	56,871
Capital outlay	1,000	120	(880)	441
Total expenditures	<u>403,476</u>	<u>405,897</u>	<u>2,421</u>	<u>302,727</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (30,000)</u>	<u>(6,823)</u>	<u>\$ 23,177</u>	<u>63,129</u>
<b>FUND BALANCE, MAY 1</b>		<u>690,872</u>		<u>627,743</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 684,049</u>		<u>\$ 690,872</u>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
SERIES 2000 CERTIFICATES

April 30, 2008

Date of issue	August 1, 2000
Original principal	\$ 1,845,000
Date of maturity	December 1, 2014
Interest rate	4.80% to 5.60%
Principal payments	December 1
Interest payments	June 1 and December 1
Financial institution	Palos Bank and Trust Palos Heights, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2009	\$ 160,000	\$ 72,842	\$ 232,842
2010	170,000	64,602	234,602
2011	180,000	55,678	235,678
2012	190,000	46,138	236,138
2013	205,000	35,878	240,878
2014	215,000	24,706	239,706
2015	230,000	12,880	242,880
<b>TOTAL</b>	<b>\$ 1,350,000</b>	<b>\$ 312,724</b>	<b>\$ 1,662,724</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
SERIES 2002 CERTIFICATES

April 30, 2008

Date of issue	August 1, 2000
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	Palos Bank and Trust Palos Heights, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2009	\$ 18,000	\$ 9,258	\$ 27,258
2010	19,000	8,511	27,511
2011	20,000	7,675	27,675
2012	21,000	6,775	27,775
2013	22,000	5,830	27,830
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
<b>TOTAL</b>	<b>\$ 198,000</b>	<b>\$ 50,435</b>	<b>\$ 248,435</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 SERIES 2004 GENERAL OBLIGATION ALTERNATE REVENUE BONDS

April 30, 2008

Date of issue	November 1, 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	Palos Bank and Trust Palos Heights, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2009	\$ 25,000	\$ 13,332	\$ 38,332
2010	25,000	12,707	37,707
2011	25,000	11,995	36,995
2012	30,000	11,220	41,220
2013	30,000	10,245	40,245
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
<b>TOTAL</b>	<b>\$ 375,000</b>	<b>\$ 98,786</b>	<b>\$ 473,786</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 SERIES 2005 GENERAL OBLIGATION ALTERNATE REVENUE BONDS

April 30, 2008

Date of issue	November 14, 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	Palos Bank and Trust Palos Heights, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2009	\$ 30,000	\$ 14,805	\$ 44,805
2010	30,000	13,815	43,815
2011	30,000	12,795	42,795
2012	30,000	11,745	41,745
2013	30,000	10,665	40,665
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
<b>TOTAL</b>	<b>\$ 395,000</b>	<b>\$ 102,535</b>	<b>\$ 497,535</b>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
SERIES 2006 GENERAL CERTIFICATES

April 30, 2008

---

Date of issue	October 23, 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	Palos Bank and Trust Palos Heights, IL

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year Ending April 30,	Principal	Interest	Total
2009	\$ 20,000	\$ 22,644	\$ 42,644
2010	20,000	21,918	41,918
2011	20,000	21,182	41,182
2012	25,000	20,438	45,438
2013	25,000	19,498	44,498
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>TOTAL</b>	<b>\$ 555,000</b>	<b>\$ 250,528</b>	<b>\$ 805,528</b>

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	105-110
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax and property tax.	111-114
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	115-119
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	120-121
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the city provides and the activities it performs.	122-124

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports 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.*

VILLAGE OF PALOS PARK, ILLINOIS

NET ASSETS BY COMPONENT

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>GOVERNMENTAL ACTIVITIES</b>				
Invested in capital assets net of related debt	\$ 1,640,412	\$ 2,108,522	\$ 2,997,346	\$ 3,151,308
Restricted	150,159	142,385	150,945	122,866
Unrestricted	1,574,192	1,632,543	1,523,471	1,532,600
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,364,763</b>	<b>\$ 3,883,450</b>	<b>\$ 4,671,762</b>	<b>\$ 4,806,774</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Invested in capital assets net of related debt	\$ 21,907,584	\$ 20,981,990	\$ 21,036,524	\$ 22,586,114
Restricted	-	-	-	-
Unrestricted	1,041,517	1,546,673	1,807,134	1,793,858
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 22,949,101</b>	<b>\$ 22,528,663</b>	<b>\$ 22,843,658</b>	<b>\$ 24,379,972</b>
<b>PRIMARY GOVERNMENT</b>				
Invested in capital assets net of related debt	\$ 23,547,996	\$ 23,090,512	\$ 24,033,870	\$ 25,737,422
Restricted	150,159	142,385	150,945	122,866
Unrestricted	2,615,709	3,179,216	3,330,605	3,326,458
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 26,313,864</b>	<b>\$ 26,412,113</b>	<b>\$ 27,515,420</b>	<b>\$ 29,186,746</b>

Data Source

Audited Financial Statements

VILLAGE OF PALOS PARK, ILLINOIS

CHANGE IN NET ASSETS

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 799,995	\$ 724,948	\$ 892,396	\$ 900,666
Public safety	1,495,343	1,687,093	1,643,589	1,946,030
Public works	334,492	379,832	550,148	676,962
Building and public grounds	622,563	749,496	642,185	681,183
Culture and recreation	261,654	333,239	314,641	312,111
Solid wastes	206,672	224,678	235,692	245,040
Interest	114,963	106,592	115,360	123,393
Total governmental activities expenses	3,835,682	4,205,878	4,394,011	4,885,385
Business-type activities				
Water	1,076,629	1,185,855	1,153,590	1,359,605
Sewer	558,567	625,027	573,225	675,554
Commuter parking	21,770	27,900	99,572	72,197
Interest (interest not broken out separately starting in FY06)	30,090	-	-	-
Total business-type activities expenses	1,687,056	1,838,782	1,826,387	2,107,356
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 5,522,738</b>	<b>\$ 6,044,660</b>	<b>\$ 6,220,398</b>	<b>\$ 6,992,741</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 162,258	\$ 203,115	\$ 288,273	\$ 269,615
Public safety	317,952	269,785	196,069	261,094
Public works	682	14,371	574	2,884
Building and public grounds	327,062	329,291	428,045	563,833
Culture and recreation	178,288	207,246	203,801	226,646
Solid waste	199,865	227,895	238,554	245,708
Operating grants and contributions	167,812	400,799	210,353	159,700
Capital grants and contributions	-	-	520,000	-
Total governmental activities program revenues	1,353,919	1,652,502	2,085,669	1,729,480
Business-type activities				
Charges for services				
Water	834,829	875,349	815,765	904,234
Sewer	120,412	159,059	163,623	175,351
Commuter parking	27,888	27,265	70,801	92,739
Capital grants and contributions	-	-	510,000	2,231,197
Total business-type activities program revenues	983,129	1,061,673	1,560,189	3,403,521
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,337,048</b>	<b>\$ 2,714,175</b>	<b>\$ 3,645,858</b>	<b>\$ 5,133,001</b>

VILLAGE OF PALOS PARK, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
NET REVENUE (EXPENSE)				
Governmental activities	\$ (2,481,763)	\$ (2,553,376)	\$ (2,308,342)	\$ (3,155,905)
Business-type activities	(703,927)	(777,109)	(266,198)	1,296,165
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (3,185,690)	\$ (3,330,485)	\$ (2,574,540)	\$ (1,859,740)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities				
Taxes				
Property	\$ 863,244	\$ 899,096	\$ 956,234	\$ 1,014,455
Sales	686,106	849,185	890,588	943,390
Income	317,444	358,296	395,205	431,732
Utility	569,752	654,620	558,092	603,983
Other	182,782	187,788	147,006	151,077
Investment income	29,452	48,715	90,893	65,619
Miscellaneous	42,970	62,566	59,050	80,661
Gain on sales of capital assets	11,461	8,297	-	-
Contributions	7,005	-	-	-
Total governmental activities	2,710,216	3,068,563	3,097,068	3,290,917
Business-type activities				
Investment income	22,684	50,846	93,701	87,519
Miscellaneous	355,993	305,825	487,492	152,630
Total business-type activities	378,677	356,671	581,193	240,149
TOTAL PRIMARY GOVERNMENT	\$ 3,088,893	\$ 3,425,234	\$ 3,678,261	\$ 3,531,066
CHANGE IN NET ASSETS				
Governmental activities	\$ 228,453	\$ 515,187	\$ 788,726	\$ 135,012
Business-type activities	(325,250)	(420,438)	314,995	1,536,314
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (96,797)	\$ 94,749	\$ 1,103,721	\$ 1,671,326

Data Source

Audited Financial Statements

VILLAGE OF PALOS PARK, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>GENERAL FUND</b>										
Reserved	\$ 8,733	\$ 14,055	\$ 19,875	\$ 16,644	\$ 79,703	\$ 56,087	\$ 65,256	\$ 39,324	\$ 40,754	\$ 81,614
Unreserved	614,775	818,554	829,468	1,030,031	1,253,352	1,382,425	1,321,404	1,326,285	1,329,466	1,181,635
<b>TOTAL GENERAL FUND</b>	<b>\$ 623,508</b>	<b>\$ 832,609</b>	<b>\$ 849,343</b>	<b>\$ 1,046,675</b>	<b>\$ 1,333,055</b>	<b>\$ 1,438,512</b>	<b>\$ 1,386,660</b>	<b>\$ 1,365,609</b>	<b>\$ 1,370,220</b>	<b>\$ 1,263,249</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 163,510	\$ 307,717	\$ 145,325	\$ 142,385	\$ 150,945	\$ 122,866
Unreserved, reported in										
Special Revenue Funds	296,882	195,451	184,636	170,251	109,731	92,026	144,606	145,173	127,168	136,550
Capital Project Funds	637,385	432,438	583,268	(116,733)	(313,024)	51,442	201,989	297,920	387,106	464,760
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 934,267</b>	<b>\$ 627,889</b>	<b>\$ 767,904</b>	<b>\$ 53,518</b>	<b>\$ (39,783)</b>	<b>\$ 451,185</b>	<b>\$ 491,920</b>	<b>\$ 585,478</b>	<b>\$ 665,219</b>	<b>\$ 724,176</b>

Data Source

Audited Financial Statements

VILLAGE OF PALOS PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>REVENUES</b>										
Taxes	\$ 2,052,800	\$ 2,188,327	\$ 2,336,648	\$ 2,343,053	\$ 2,442,313	\$ 2,344,198	\$ 2,563,659	\$ 2,907,333	\$ 2,947,124	\$ 3,144,638
Licenses and permits	386,482	299,592	427,161	317,436	285,021	292,189	389,771	415,187	505,647	653,044
Intergovernmental	-	-	-	-	-	193,442	167,812	400,799	210,353	159,700
Charges for services	131,535	138,101	154,105	153,804	171,420	104,510	159,928	148,983	141,641	98,185
Fees by agreement	270,114	246,054	217,539	232,500	208,383	404,099	442,099	541,766	596,859	620,443
Fines and forfeitures	72,594	120,089	75,340	83,962	61,577	116,997	231,214	181,181	111,170	187,507
Grants	1,045,402	869,094	591,243	333,495	313,880	-	-	-	-	-
Investment income	61,136	112,985	152,457	39,203	19,449	10,421	29,450	48,721	90,893	65,619
Miscellaneous	231,316	339,880	783,810	600,206	289,600	403,751	73,197	68,798	59,050	91,261
<b>Total revenues</b>	<b>4,251,379</b>	<b>4,314,122</b>	<b>4,738,303</b>	<b>4,103,659</b>	<b>3,791,643</b>	<b>3,869,607</b>	<b>4,057,130</b>	<b>4,712,768</b>	<b>4,662,737</b>	<b>5,020,397</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
General government (administration)	376,653	478,364	617,497	515,721	479,057	490,377	723,405	752,113	776,445	808,306
Public affairs	77,705	8,142	23,681	27,687	23,980	56,664	-	-	-	-
Public safety (police)	1,117,167	1,171,133	1,376,563	1,306,520	1,310,467	1,339,684	1,463,156	1,630,788	1,605,648	1,871,600
Health	-	-	-	-	-	-	-	-	-	-
Public works	1,214,091	688,587	746,261	477,751	294,204	319,494	346,111	409,751	403,892	524,083
Building	136,665	151,196	198,122	185,931	179,003	227,452	-	-	-	-
Building and public grounds	-	-	-	-	-	-	512,704	719,372	637,357	661,585
Culture and recreation	170,877	184,491	191,518	215,334	249,015	227,598	255,021	325,699	290,774	304,706
Public grounds	28,526	33,072	36,216	69,303	73,542	86,916	-	-	-	-
Finance	154,633	182,402	159,076	144,037	170,481	175,206	-	-	-	-
Solid waste	117,295	126,356	99,042	173,932	178,676	184,618	206,672	224,678	235,692	245,040
Other	-	300	-	1,779,365	-	1,380	-	-	-	-
Capital outlay	3,269,257	7,916,554	2,852,899	-	664,121	251,323	109,859	349,064	911,786	239,689
Debt service										
Principal retirement	263,905	177,103	223,598	151,579	119,384	91,278	36,000	252,000	271,192	293,506
Interest and other charges	22,205	15,041	11,861	138,774	99,394	109,156	107,602	107,006	115,774	123,135
<b>Total expenditures</b>	<b>6,948,979</b>	<b>11,132,741</b>	<b>6,536,334</b>	<b>5,185,934</b>	<b>3,841,324</b>	<b>3,561,146</b>	<b>3,760,530</b>	<b>4,770,471</b>	<b>5,248,560</b>	<b>5,071,650</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,697,600)</b>	<b>(6,818,619)</b>	<b>(1,798,031)</b>	<b>(1,082,275)</b>	<b>(49,681)</b>	<b>308,461</b>	<b>296,600</b>	<b>(57,703)</b>	<b>(585,823)</b>	<b>(51,253)</b>

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	\$ 245,812	\$ 226,144	\$ 191,531	\$ 398,476	\$ 501,520	\$ 127,000	\$ 250,000	\$ 89,973	\$ 60,200	\$ 122,358
Proceeds from sale of fixed assets	9,772	4,680	-	6,716	2,250	-	-	17,281	16,576	3,239
Proceeds from loans	3,313,471	6,788,429	1,886,000	418,794	-	-	-	109,429	653,599	-
Capital lease additions	-	-	-	43,623	-	-	-	-	-	-
Transfers (out)	(170,812)	(297,911)	(122,751)	(302,388)	(424,520)	(50,000)	(250,000)	(89,973)	(60,200)	(122,358)
<b>Total other financing sources (uses)</b>	<b>3,398,243</b>	<b>6,721,342</b>	<b>1,954,780</b>	<b>565,221</b>	<b>79,250</b>	<b>77,000</b>	<b>-</b>	<b>126,710</b>	<b>670,175</b>	<b>3,239</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 700,643</b>	<b>\$ (97,277)</b>	<b>\$ 156,749</b>	<b>\$ (517,054)</b>	<b>\$ 29,569</b>	<b>\$ 385,461</b>	<b>\$ 296,600</b>	<b>\$ 69,007</b>	<b>\$ 84,352</b>	<b>\$ (48,014)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>7.78%</b>	<b>5.97%</b>	<b>6.39%</b>	<b>5.60%</b>	<b>6.89%</b>	<b>6.06%</b>	<b>3.93%</b>	<b>8.12%</b>	<b>8.92%</b>	<b>8.40%</b>

Data Source

Audited Financial Statements

In fiscal years 2000/2001 Capital Outlay increased significantly because of Village-wide projects such as the completion of central sewer and water utilities and the construction of the new Kaptur Administrative Center.

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	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1998	\$ 94,360,305	\$ 36,617	\$ 15,383,643	\$ 1,965,195	\$ 225,214	\$ 111,970,974	\$ 0.5934	\$ 335,912,922	33.333%
1999	103,835,359	39,148	15,434,189	2,373,199	234,426	121,916,321	0.5706	365,748,963	33.333%
2000	104,854,503	39,148	13,502,871	2,165,605	202,157	120,764,284	0.6054	362,292,852	33.333%
2001	109,906,847	39,148	14,526,210	4,194,299	205,706	128,872,210	0.6058	386,616,630	33.333%
2002	143,326,498	44,353	17,400,374	5,151,880	218,709	166,141,814	0.4861	498,425,442	33.333%
2003	143,334,047	44,353	17,880,331	5,909,787	63,808	167,232,326	0.5012	501,696,978	33.333%
2004	149,897,501	44,353	18,722,810	7,528,804	67,750	176,261,218	0.4913	528,783,654	33.333%
2005	183,079,351	33,778	21,287,113	9,448,761	75,355	213,924,358	0.4325	641,773,074	33.333%
2006	187,992,725	34,707	21,840,193	9,702,412	95,620	219,665,657	0.4454	658,996,971	33.333%
2007	N/A	N/A	N/A	N/A	N/A	233,565,618	0.4350	700,696,854	33.333%

Data Source

Office of the County Clerk

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

Total direct tax rate is the Village and the Library percentage only.  
(Does not include overlapping rates)

VILLAGE OF PALOS PARK, ILLINOIS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 Last Ten Levy Years

Levy Year	Village Direct Rates					Overlapping Rates <sup>(1)</sup>						
	General	Police Protection	Police Pension	IMRF	Total Direct Tax Rate	School Districts	Library	County	Fire Protection District	Township	S. Palos Sanitary District <sup>(2)</sup>	MWRD
1998	\$ 0.4358	\$ 0.0584	\$ -	\$ 0.0992	\$ 0.5934	\$ 6.189	\$ 0.209	\$ 1.004	\$ 0.834	\$ 0.107	\$ 0.327	\$ 0.444
1999	0.4215	0.0554	-	0.0941	0.571	5.870	0.193	0.968	0.780	0.096	0.300	0.419
2000	0.4457	0.0609	-	0.0984	0.605	6.108	0.198	0.915	0.815	0.100	0.323	0.415
2001	0.4506	0.0607	-	0.0947	0.606	6.052	0.198	0.867	0.816	0.098	0.315	0.401
2002	0.3635	0.0479	-	0.0746	0.486	5.058	0.158	0.768	0.665	0.084	0.256	0.371
2003	0.3354	0.0522	0.0831	0.0423	0.513	5.221	0.163	0.735	0.686	0.088	0.265	0.361
2004	0.3374	0.0496	0.0650	0.0390	0.491	5.140	0.160	0.666	0.667	0.085	0.268	0.347
2005	0.2984	0.0435	0.0569	0.0342	0.433	3.493	0.138	0.622	0.586	0.075	0.233	0.315
2006	0.3059	0.0449	0.0588	0.0354	0.445	4.630	0.142	0.569	0.598	0.079	0.232	0.284
2007 (3)	0.2968	0.0447	0.0584	0.0351	0.435	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: The Village 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.

<sup>(3)</sup> The overlapping rates for levy year 2007 are not available at press time.

Data Source

Office of the County Clerk

VILLAGE OF PALOS PARK, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago\*

Taxpayer	Type of Business Property	Fiscal Year 2008			Fiscal Year 1999		
		Tax Levy Year 2005** Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Tax Levy Year 1997* Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
CNC/Jewel Food Store	Supermarket	\$ 8,559,181	1	4.00%	\$ 6,374,407	1	5.81%
Shadow Ridge Signature	Residential Development	7,451,871	2	3.48%	-	-	-
Sunrise Senior Living	Senior Living Facility	5,747,027	3	2.69%	-	-	-
Commonwealth Edison Co.	Electric Utility	4,290,074	4	2.01%	856,185	5	0.78%
Gas City Limited	Gasoline Station	3,525,520	5	1.65%	758,158	7	0.69%
Park Management & Investment	Shopping Center (Village Courtyard)	2,945,345	6	1.38%	574,919	10	0.52%
Shell Oil Company	Gasoline Station	2,831,732	7	1.32%	655,604	8	0.60%
AT & T	Phone Utility	2,750,735	8	1.29%	763,613	6	0.70%
James Marth	Shopping Center (Mill Creek Center)	2,409,878	9	1.13%	-	-	-
Walgreens	One-Story Store	1,672,124	10	0.78%	-	-	-
John T. Moya	Shopping Center	-	-	-	1,772,840	2	1.62%
Palos Country Club	Palos Country Club	-	-	-	1,015,206	3	0.93%
Alliance Shippers Inc.	Commercial Condo Units	-	-	-	856,604	4	0.78%
Alfredo Veltri	Shopping Center (Palos Park Plaza)	-	-	-	605,637	9	0.55%
		<u>\$ 42,183,487</u>		<u>19.73%</u>	<u>\$ 14,233,173</u>		<u>12.98%</u>

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.

\* Oldest data available.

\*\* Most recent data available.

Data Source

Office of the County Clerk

VILLAGE OF PALOS PARK, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Extended	Total Collections to Date	
		Amount	Percentage of Levy
1997	\$ 643,656	\$ 634,577	98.59%
1998	663,770	668,084	100.65%
1999	694,804	703,931	101.31%
2000	730,607	735,143	100.62%
2001	779,719	785,051	100.68%
2002	808,046	811,337	100.41%
2003	839,186	842,204	100.36%
2004	866,872	868,499	100.19%
2005	925,966	920,359	99.39%
2006	979,709	1,014,455	103.55%

Data Source

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

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

VILLAGE OF PALOS PARK, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Capital Leases	General Obligation Bonds	Installment Notes Payable	Public Benefit Debt			
1999	\$ 5,004,879	\$ 815,087	\$ 50,040	\$ 918,797	\$ 883,569	N/A	\$ 7,672,372	93.00%	\$ 1,827
2000	4,626,657	662,164	71,386	741,214	733,700	N/A	6,835,121	77.00%	1,458
2001	7,530,015	3,337,278	54,597	544,026	538,489	N/A	12,004,405	1.22%	2,560
2002	7,797,404	3,545,281	31,292	359,588	350,672	N/A	12,084,237	1.17%	2,577
2003	7,137,342	3,348,301	-	344,962	-	N/A	10,830,605	1.00%	2,310
2004	-	3,150,296	-	-	-	\$ 748,872	3,899,168	1.06%	832
2005	-	3,007,295	-	450,000	-	685,574	4,142,869	1.17%	884
2006	-	2,726,227	-	875,000	24,995	624,012	4,250,234	1.23%	906
2007	-	2,551,423	-	825,000	12,497	434,042	3,822,962	1.34%	815
2008	-	2,257,917	-	770,000	-	396,332	3,424,249	1.34%	730

Village's outstanding debt can be found in the notes to the financial statements.

\* See the schedule of Demographic and Economic Information on page 120 for personal income and population data.

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*	Per Capita
1999	\$ 5,004,879	1.52%	\$ 1,192
2000	4,626,657	1.38%	987
2001	7,530,015	2.06%	1,606
2002	7,797,404	2.15%	1,663
2003	7,137,342	1.85%	1,522
2004	-	0.00%	-
2005	450,000	0.09%	96
2006	875,000	0.17%	187
2007	825,000	0.13%	176
2008	770,000	0.11%	164

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

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 111 for property value data.

VILLAGE OF PALOS PARK, ILLINOIS

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

April 30, 2008

	2006 Equalized		Applicable to Village	
	Assessed Valuation <sup>(1)</sup>	Outstanding Bonds	Percent <sup>(2)</sup>	Amount
Village of Palos Park	\$ 219,665,657	\$ 770,000 <sup>(3)</sup>	100.000%	\$ 770,000
<u>Overlapping Districts:</u>				
Cook County	144,344,783,200	2,906,875,000	0.152%	4,418,450
Cook County Forest Preserve	144,344,783,200	104,427,000	0.152%	158,729
Metropolitan Water Reclamation District	141,468,642,600	1,518,554,389 <sup>(4)</sup>	0.155%	2,353,759
Palos Fire Protection District	566,789,470	215,000	38.142%	82,005
South Palos Twp. Sanitary District	56,706,070	160,000	7.237%	11,579
<u>School Districts</u>				
Community Consolidated School District #118	829,648,869	7,385,000	25.776%	1,903,558
High School District #230	4,742,748,032	96,805,000	4.509%	4,364,937
Community College #524	10,478,199,596	15,250,000	2.041%	311,253
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT				\$ 14,374,270

<sup>(1)</sup> Most recent values available as of April 30, 2008.

<sup>(2)</sup> Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

<sup>(3)</sup> Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

<sup>(4)</sup> Includes IEPA Revolving Loan Fund Bonds

Data Sources

Offices of the Cook County Clerk, Comptroller of the State of Illinois and Treasurer of the Metropolitan Water Reclamation District.

VILLAGE OF PALOS PARK, ILLINOIS  
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Legal debt limit	\$ 9,657,497	\$ 10,515,283	\$ 10,415,919	\$ 11,115,228	\$ 14,329,731	\$ 14,423,788	\$ 15,202,530	\$ 18,450,976	\$ 18,946,163	\$ 20,145,035
Total net debt applicable to limit	5,004,879	4,626,657	7,530,015	7,797,404	7,137,342	-	450,000	875,000	825,000	770,000
Legal debt margin	\$ 4,652,618	\$ 5,888,626	\$ 2,885,904	\$ 3,317,824	\$ 7,192,389	\$ 14,423,788	\$ 14,752,530	\$ 17,575,976	\$ 18,121,163	\$ 19,375,035
Total net debt applicable to the limit as a percentage of debt limit	52%	44%	72%	70%	50%	0%	3%	5%	4%	4%

Legal Debt Margin Calculation for Fiscal 2008

Assessed Value	\$ 233,565,618
Legal debt margin	<u>8.625%</u>
Debt limit	20,145,035
Debt applicable to limit	
General obligation bonds	<u>770,000</u>
Legal debt margin	<u>\$ 19,375,035</u>

- 1) In FY04 Special Assessment debt was deemed to be no commitment debt IAW GASB S-6, as they are not an obligation of the Village and are secured by the levy of special assessments on real property.
- 2) G.O. Alternative bonds are considered G.O. bonds in these calculations even though they are to be paid by water and sewer revenues.

VILLAGE OF PALOS PARK, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water/Sewer Revenue Bonds						Coverage
	Water/Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
1999	\$ 874,170	\$ 867,256	\$ 6,914	\$ 188,652	\$ 103,747	0.02	
2000	1,011,787	887,501	124,286	233,652	93,845	0.38	
2001	1,013,802	970,343	43,459	313,653	78,701	0.11	
2002	1,092,077	1,131,259	(39,182)	313,653	58,600	-	
2003	1,164,628	1,233,962	(69,334)	325,000	40,301	-	
2004	1,076,176	1,280,283	(204,107)	32,500	19,962	-	
2005	1,501,420	1,190,650	310,770	37,710	25,588	4.91	
2006	1,473,251	1,247,111	226,140	62,710	39,811	2.21	
2007	1,619,004	897,765	721,239	103,833	53,221	4.59	
2008	1,316,694	1,146,424	170,270	101,433	52,320	1.11	

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

VILLAGE OF PALOS PARK, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

---

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	4,199	\$ 285,552,995	\$ 68,005	4.5
2000	4,689	367,852,050	68,005	4.5
2001	4,689	367,852,050	78,450	5.6
2002	4,689	367,852,050	78,450	6.9
2003	4,689	367,852,050	78,450	6.9
2004	4,689	367,852,050	78,450	6.3
2005	4,689	367,852,050	78,450	6.0
2006	4,689	367,852,050	78,450	4.4
2007	4,689	367,852,050	78,450	4.3
2008	4,689	367,852,050	78,450	N/A

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

Current and Nine Years Ago

Employer	2008		1999	
	Rank	% of Total Village Population	Rank	% 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	6	1.07%	4	1.19%
Hackney's	8	0.58%	5	0.64%
Starbucks	9	0.32%	-	-
McDivott's	9	0.32%	6	0.17%
NA	-	-	7	-
NA	-	-	8	-
NA	-	-	9	-
NA	-	-	10	-

VILLAGE OF PALOS PARK, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

---

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL GOVERNMENT										
Administration	3.5	3.5	3.5	4.5	4.5	5.5	5.5	5.0	5.3	5.3
Building and zoning	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.6	4.0
Finance	1.5	1.5	1.8	1.5	2.1	2.1	3.1	3.1	3.0	3.0
Police										
Officers FT	10.0	10.0	12.0	11.0	11.0	10.0	10.0	11.0	10.0	10.0
Officers PT	17.0	25.0	23.0	22.0	20.0	12.0	12.0	14.0	15.0	15.0
Civilians	2.5	2.3	3.0	3.3	3.0	2.0	2.0	2.0	2.0	2.0
Public Works										
Water Department	2.3	2.3	2.3	2.3	2.3	2.8	2.3	2.3	3.9	4.3
Sewer Department	0.8	0.8	1.0	1.3	1.3	1.3	1.3	1.3	1.3	1.6
Street maintenance	3.3	3.3	3.3	2.3	2.3	2.5	2.3	2.3	3.1	4.4
Recreation	1.6	1.6	1.6	2.0	2.4	2.8	3.0	3.5	3.5	3.5

Data Source

Village Finance Department: Payroll

VILLAGE OF PALOS PARK, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>PUBLIC SAFETY</b>										
Police(1)										
Physical arrests	508	295	206	133	239	431	361	333	251	285
Parking violations	2,289	776	1,415	1,559	1,257	694	808	994	1,346	1,757
Traffic violations	2,635	1,712	2,686	2,071	2,524	2,145	1,611	1,674	1,322	1,711
<b>PUBLIC WORKS</b>										
Streeting resurfacing (miles)	N/A	N/A	1.09	1.92	1.19	2.00	1.00	1.60	1.01	1.01
Pothole repairs	50-75	50-75	50-75	50-75	50-75	50-75	50-75	50-75	50-75	75-120
<b>WATER</b>										
New connections	18	42	204	145	31	25	25	42	41	27
Water main breaks	8	11	10	9	11	10	14	10	11	12
Average daily consumption	387,000	401,000	471,000	478,000	465,000	483,000	538,000	472,000	389,884	427,827
Peak demand	637,000	784,000	887,000	901,000	935,000	910,000	963,000	980,000	1,015,000	987,000

Data Source

Appropriate Village Departmental Directors

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

(2) Average gallons per day

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

VILLAGE OF PALOS PARK, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	6	7	7	7	7	8	8
<b>PUBLIC WORKS</b>										
Residential streets (miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
<b>WATER</b>										
Water mains (miles)	40.94	40.94	49.99	49.99	49.99	50.31	50.58	50.58	50.58	50.58
Fire hydrants	541	541	685	697	700	716	716	722	726	726
Storage capacity (gallons)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
<b>WASTEWATER</b>										
Sanitary sewers (miles)	25.41	25.41	36.77	37.60	37.75	38.70	38.70	39.27	39.27	39.27
Storm sewers (miles)	5.15	5.34	6.92	6.92	7.06	7.18	7.29	7.48	7.67	7.67

Data Source

Appropriate Village Departmental Directors

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