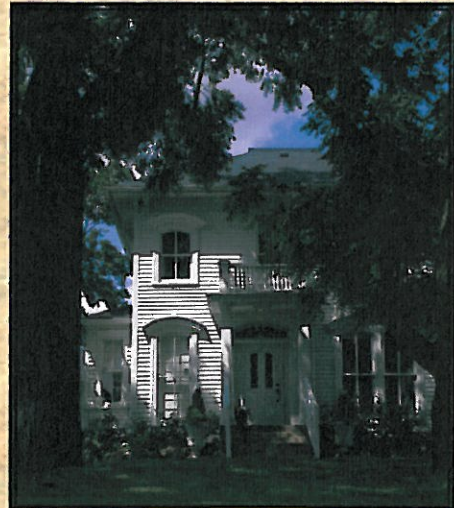
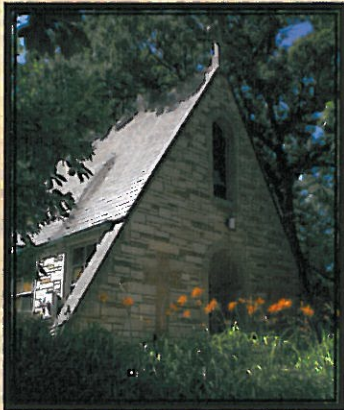
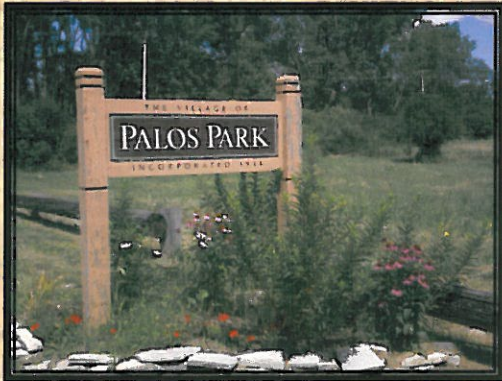


Village of Palos Park Comprehensive Annual Financial Report Year Ended April 30, 2009



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

VILLAGE OF PALOS PARK, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2009

Prepared by the Finance Department

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INTRODUCTORY SECTION

**VILLAGE OF PALOS PARK, ILLINOIS
OFFICERS AND OFFICIALS
YEAR ENDED APRIL 30, 2009**

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

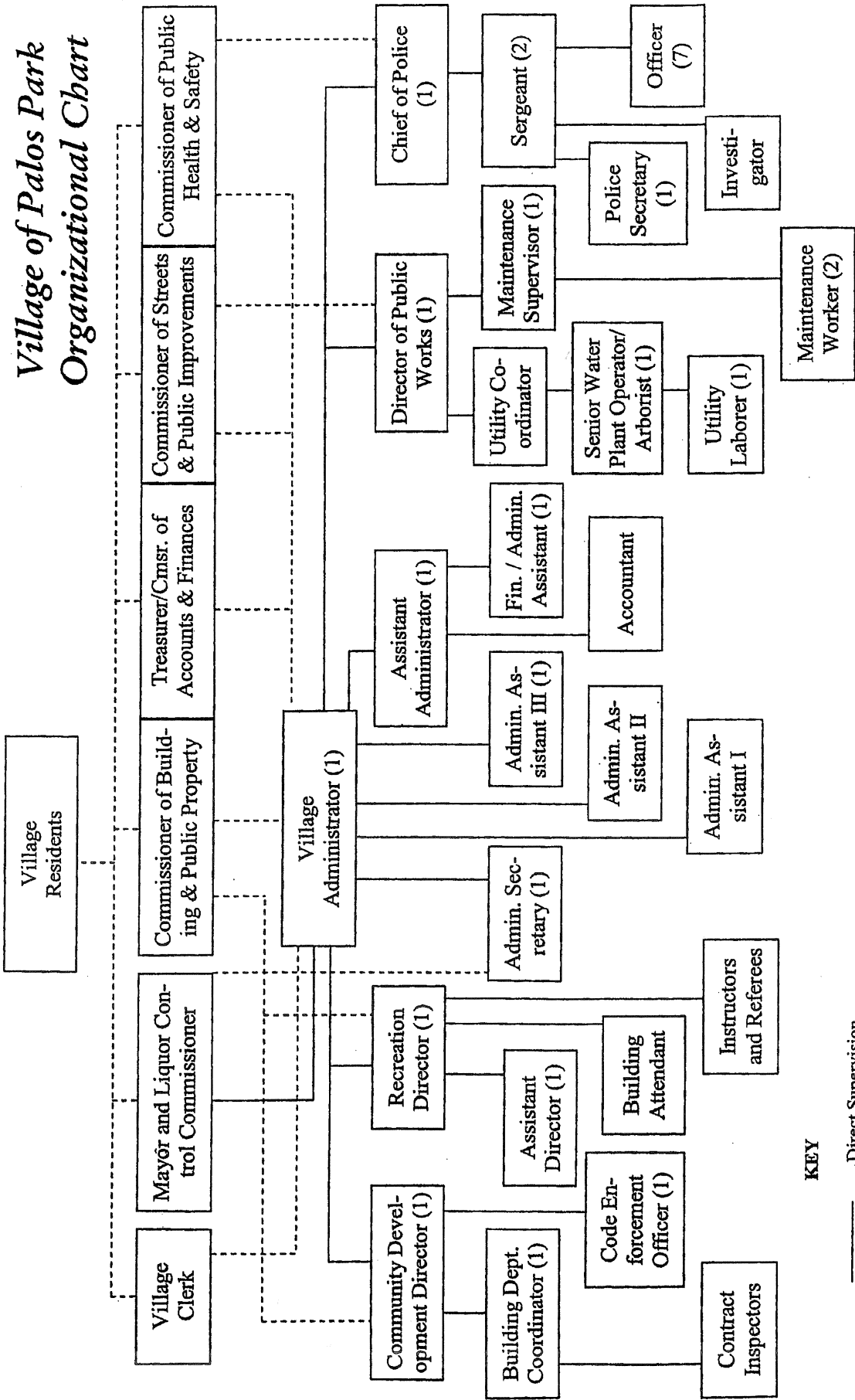
CLERK

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

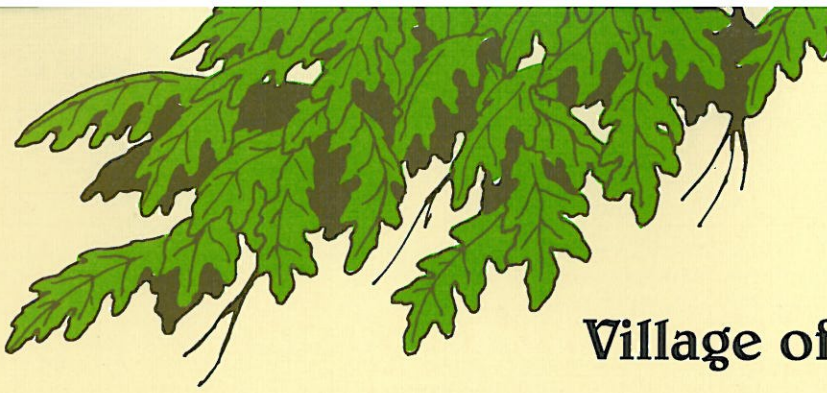
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2008

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.



President

Executive Director



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

Village of Palos Park

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

October 13, 2009

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

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

Mayor and Village Council:

State law requires that every general purpose local government publish within six 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, 2009. 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, 2009. 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 Fiscal Year 2007, GASB 44 established and modified 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 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 97.1% of the homes are owner-occupied. The population of the community is very stable; according to the 2000 Census, 72.8% of owners have been resident since 1989 or earlier. The median age of residents is 46.9 years with 19.3% of residents over 65 years old. Two important concerns of residents are the maintenance of property values and environmental, and the quality of life issues.

Palos Park does not fit the traditional stereotype of the well-to-do southern suburb that rose out of reclaimed corn fields with expanses of flat green lawns and large fences separating neighbors. Instead, each residence sits amongst 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 parcel in order

to build a home. This one-acre ordinance originated as a way to ensure the safety of well and septic systems, and has served as a mechanism to preserve the spacing between houses for which the Village is famous. Thus, the mature trees, long distances between houses, and frequent large street setbacks make it often difficult, if not impossible, to see homes from the street; and in addition, space, trees, or at most a post-and-rail fence is what separates neighbors. Ditches take the place of sidewalks and storm sewers in the Village, helping to replenish aquifers and further contributing to its distinctive character and pastoral setting.

The Village of Palos Park is primarily a bedroom community. 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 Expressway. 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 station. The Village prides itself on the high quality of its residential living and has historically been among the top Chicago area communities in per capita income.

The Village is governed by the Commission form of government consisting of a Mayor and four Commissioners elected at large for four year concurrent terms. Elected Commissioners are the legal department heads in the areas of Public Affairs (Mayor, by statute), Accounts and Finances, Public Health and Safety, Public Property and Building, and Streets and Public Improvements. The Village Clerk is also elected at large. The Village Council appoints, among others, the Village 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; however, spending is legally authorized by the Village's annual appropriations ordinance. The annual appropriation is typically 150% of each budget line 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 131st Street and LaGrange Road supports many individual businesses, while the northwest corner is the home of the Shoppes of Mill Creek, Mill Creek Center, and a gas station. Several retail stores and office buildings are in the area around Southwest Highway and Route 83. Finally, establishments are located along

123rd Street, primarily between 80th Avenue and 86th Avenue. There is limited industrial property in the Village.

The largest employer in the community is the Shoppes of Mill Creek's Jewel/Osco. Immediately adjacent to the Village at 123rd Street and 80th Avenue is Palos Community Hospital (in Palos Heights) and serves as another major employer in the area. Also immediately adjacent to the Village at 131st Street and LaGrange Road (in Orland Park) lays the recently expanded Carl Sandburg High School (High School District 230).

Fiscal year 2009 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 decreased by 4.83% in FY09 to \$4,308,624. However, several tax categories increased, including Property taxes by 3.84%; utility taxes by 2.78%; and other taxes by 1.27%. In addition, sales tax decreased by 8.08%, and state income tax also decreased by 1.05% as compared to the prior fiscal year.

General Fund operating expenditures in decreased slightly FY09 by \$205,189 to a total of \$4,442,656 as compared to FY08. This 4.41% decrease in expenditures was due to a significant reduction in capital outlays that were funded by installment notes in FY08 that were not reflected by purchases in the prior fiscal year.

The ½% Sales Tax Fund had non-home rule sales tax revenues totaling \$168,787 that allowed for the funding of \$265,843 in Public Building and Grounds improvements. A fund balance of \$162,466 still remains in the fund for contingency and future improvements.

The Police Asset Forfeiture Fund did receive \$25,614 on forfeiture income in FY09 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, 2009, the Palos Park held unreserved, undesignated fund balance equal to 21.67% of FY09 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 FY09, 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).

MAJOR INITIATIVE FOR THE YEAR AND FOR THE FUTURE

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

Administration Department

- Transfer of institutional knowledge to database;
- Obtain long-term lease with MWRD;
- 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;
- Continue economic development efforts with ICSC;
- Continue and increase programs for success of local businesses through the Palos Park Business Association;
- Amend Personnel Code;
- Begin GIS implementation for general record keeping of Village files;
- Reinstigate presentation to Council of annual reports by department managers;
- Continue efforts toward the annexation and commercial development of Bell Road and McCarthy Road, Equestrian, Girl Scouts Camp, and Palos Glen Estates;
- Continue annexation efforts in the South Palos Sanitary District area, a residential area of property located south of 127th Street to the north side of 131st Street and from 80th Avenue on the east to 86th Avenue on the west;

- Rent Village house at 12309 S. 90th Ave;
- Negotiate new five year lease with McCord NFP, and vendor lease at Metra Station;
- Install security camera at Metra Station;
- Advance the development plan for a multi-museum facility, bike trail, and gardens on MWRD leased property located at 86th 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;
- 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, and 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 two non-conforming commercial uses; and
- Implement a fail safe budget.

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 effectively;
- 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 and fine schedules;
- Update zoning map and standards, building standards, and tree standards;
- Review permit expiration dates to extend dates for houses 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; and
- Finish installing the 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 2009 Fiscal Year's Comprehensive Annual Financial Report (CAFR);
- Promote professional development for the preparation and publication of financial statements and related note disclosures;
- 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 provide 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 need to 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/or 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 is implemented;
- Develop a plan to address a five-year budget for the MSI software, and enforce written budget procedures;
- Convert the Village's cable station from VHS to DVD;
- Develop a better process for tracking and collecting the Places of Eating tax; and
- Provide financial assistance, as needed, for any annexation plans that the Village Council may consider.

Police Department

- Enhance utilization of allocated asset forfeiture funds from the D.E.A. and Customs Task Force;
- Continue 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;
- Reorganize Emergency Management Agency structure and sharing dedicated resources with our local, state, and federal partners;
- Pursue state grant funding opportunities as they become available through state and federal resources;
- Implement Cook County EMA Project Shield, a state of the art wireless video system for our patrol units, and this is a Homeland Security Initiative;
- Continue to build the Emergency Management Agency and support training, equipment, and staff for deployment. Make EMA a fully functional and operating agency;
- Patrol coverage enhancement; and
- Continue staff professional development and hazard recognition, detection, and mitigation for risk exposure reduction and traffic safety awareness.

Public Works Department

- Monitor IDOT's McCarthy Road resurfacing and storm drainage work;

- Design, bid, and construct a new 500,000 gallon underground water storage reservoir and pump modifications at the pumping station;
- Carry out the inspection and refurbishment of the Village water tower;
- Implement the 2010 Motor Fuel Tax (MFT) road resurfacing project;
- Address and undertake Hillside Circle issues and resurfacing project;
- Carry out the paving of the McCord House parking lot;
- Address code violations at Fitzjoy Farm;
- Continue to replace MXU reading devices and old water meters;
- Finalize construction of 121st Street CMAQ Sidewalk Project;
- Continue to participate in TreeBody USA, and develop Tree Specifications Manual;
- Undertake engineering for ARRA Resurfacing Projects on 127th Street, 121st Street, and 80th Avenue CMAQ sidewalk project;
- Construct stormwater relief on 88th Avenue north of 123rd Street;
- Improve departmental record keeping;
- Create new Village wide web based GIS for water system and sewers; and assess structural internal condition of sewers and link to GIS (Sewer Fund);
- Continue to maintain and repair public grounds, buildings, and Village streets.
- Undertake all structural analysis of condition of sewer repairs (Sewer Fund);
- Replace pumps at five lift stations(Sewer Fund);
- Commence construction on new reservoir (Water Fund);
- Undertake painting of hydrants (Water Fund);
- Undertake leak survey (Water Fund); and
- Replace existing 20-year old pumps with new VFD and pump (Water Fund).

Recreation Department

- Continue to improve on condition of facility and 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 and 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 fields;
- Participate in development of master plan for parks and recreation including for Palos West fields;
- Develop and implement a Parks and Recreation Master Plan: and
- Negotiate short and possible long term lease of District 118 Palos West fields.

RELEVANT FINANCE 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 policy for fund balance is currently 25% of expenditures reported in the most recent CAFR.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palos Park for its comprehensive annual financial report for the fiscal year ended April 30, 2008. This was the 10th 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 Finance Director Barbara Maziarek, Public Works

Director Rachael Kaplan, Recreation Director Nicole Marxman, and Director of Building and Zoning Steve Manning, who have all been instrumental in the planning and implementation of this project.

Respectfully Submitted,

A handwritten signature in black ink, reading "Mary A. O'Connor". The signature is written in a cursive, flowing style.

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

FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

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, 2009, 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, 2009 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 as listed 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.

Aurora, Illinois
October 2, 2009

A handwritten signature in black ink, appearing to read "Bill 228", is located to the right of the date.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF PALOS PARK, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2009

This section of the Village of Palos Park's Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the Village's financial activities during the fiscal year ending April 30, 2009. 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, 2009 were \$28,279,445; a decrease of \$907,301 during the year.
- **Governmental activity summary** – Net assets for governmental activities decreased by \$34,789 during the year.
- **Business-type activity summary** – Net assets for business-type activities decreased by \$872,512 during the year.
- **General Fund summary** – The Village's General Fund reported a decrease of \$192,026 in fund balance for the year.
- **Budget vs. Actual** – The Village's actual revenues for governmental funds were less than budgeted revenues by \$524,400 while the actual expenditures were less than total budgeted expenditures by \$960.
- **New capital** – Net capital and infrastructure assets decreased by \$787,457.

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.

FUND STATEMENTS				
DESCRIPTION	GOVERNMENT WIDE STATEMENTS	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	FIDUCIARY FUNDS
Scope	Entire Village government (except fiduciary funds) and the Village's component unit	Activities of the Village that are not proprietary or fiduciary; such as, public safety	Activities the Village operates similar to private business; such as, the water and sewer 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 and liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital, short and long-term	All assets and liabilities; both short and long-term. Does not currently contain capital assets
Type of inflow and outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

Government-Wide Statements

The government-wide financial statements are designed to 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 of these fund financial statements is on Major Funds, rather than fund types.

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

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

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

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

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 2008 and 2009
As of April 30, 2009

	<i>Governmental Activities 2008</i>	<i>Governmental Activities 2009</i>	<i>Business-type Activities 2008</i>	<i>Business-type Activities 2009</i>	<i>Total Primary Government 2008</i>	<i>Total Primary Government 2009</i>
<i>Assets:</i>						
<i>Current and Other Assets</i>	\$ 3,133,774	\$ 2,965,902	\$ 1,908,819	\$ 1,746,174	\$ 5,042,693	\$ 4,712,076
<i>Capital Assets</i>	5,284,225	5,224,632	23,732,446	22,944,989	29,016,671	28,169,621
<i>Total Assets</i>	\$ 8,417,999	\$ 8,190,534	\$ 25,641,365	\$ 24,691,163	\$ 34,059,364	\$ 32,881,694
<i>Liabilities:</i>						
<i>Other Liabilities</i>	\$ 1,178,696	\$ 1,230,654	\$ 169,825	\$ 173,436	\$ 1,348,521	\$ 1,404,090
<i>Long-Term Liabilities</i>	2,432,529	2,187,895	1,091,568	1,010,267	3,524,097	3,198,162
<i>Total Liabilities</i>	\$ 3,611,225	\$ 3,418,549	\$ 1,261,393	\$ 1,183,703	\$ 4,872,618	\$ 4,602,252
<i>Net Assets:</i>						
<i>Invested in capital assets, net of related debt</i>	\$ 3,151,308	\$ 3,292,655	\$ 22,586,114	\$ 21,891,367	\$ 25,737,422	\$ 25,184,022
<i>Restricted</i>	122,866	127,819	-	-	122,866	127,819
<i>Unrestricted</i>	1,532,600	1,351,511	1,793,858	1,616,093	3,326,458	2,967,604
<i>Total Net Assets</i>	<u>\$ 4,806,774</u>	<u>\$ 4,771,985</u>	<u>\$ 24,379,972</u>	<u>\$ 23,507,460</u>	<u>\$ 29,186,746</u>	<u>\$ 28,279,445</u>

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.

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

2. **Borrowing For Capital** – Increases current assets and long-term debt.
3. **Spending Borrowed Proceeds on New Capital** – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.
4. **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.
5. **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.
6. **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 decreased from \$29,186,746 to \$28,279,445 with the decreases in both governmental capital assets and business type capital assets. Net assets of the Village's governmental activities decreased \$34,789 during the year and ended the year at \$4,771,985. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance daily operations, decreased \$181,089 over last year to \$1,351,511.

The net assets of business-type activities decreased \$872,512 during the year and ended the year at \$23,507,460. Unrestricted net assets, available to finance the continuing operation of its business type activities, were \$1,616,093. Business type activities include water, sewer, and commuter parking lot services. The annual operating cost of these services for FY09 was approximately \$2,430,513.

Major capital activity during the year included the purchase of a one ton truck, a public works supervisor truck with accessories, and ten drainage improvement projects paid for from the ½ % sales tax fund. One new squad car was purchased from the police asset forfeiture fund. From the general fund: we continued the computer replacement and software upgrade program in the amount of \$14,700; purchased a hydraulic vehicle lift in the amount of \$9,200; and performed \$34,000 in repairs to Village owned buildings (Recreation Center, Kaptur Center, and Village rental house).

The Village continued to make payments on the debt service for the Sluis Residential Property, Kaptur Administrative Center, one dump truck, and one pick-up Installment Contracts; as well as, two sales tax rebate notes, a brush chipper, and two General Obligation 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 2008 and 2009
For the Fiscal Year Ended April 30, 2009

	<i>Governmental Activities 2008</i>	<i>Governmental Activities 2009</i>	<i>Business-type Activities 2008</i>	<i>Business-type Activities 2009</i>	<i>Total Primary Government 2008</i>	<i>Total Primary Government 2009</i>
REVENUES						
<i>Program Revenues:</i>						
<i>Charges for Services</i>	\$ 1,569,780	\$ 1,298,679	\$ 1,172,324	\$ 1,391,519	\$ 2,742,104	\$ 2,690,198
<i>Operating grants</i>	159,700	189,263	-	-	159,700	189,263
<i>Capital grants</i>	-	20,000	2,231,197	-	2,231,197	20,000
<i>General Revenues:</i>						
<i>Property Taxes</i>	1,014,455	1,053,410	-	-	1,014,455	1,053,410
<i>Sales Taxes</i>	943,390	858,847	-	-	943,390	858,847
<i>Utility Taxes</i>	603,983	620,803	-	-	603,983	620,803
<i>Income Taxes</i>	431,732	427,237	-	-	431,732	427,237
<i>Other Taxes</i>	151,077	152,995	-	-	151,077	152,995
<i>Investment Income</i>	65,619	30,646	87,519	30,254	153,138	60,900
<i>Gain on Sale of Capital Assets</i>	-	-	-	-	-	-
<i>Contributions</i>	-	-	-	-	-	-
<i>Other</i>	80,661	39,587	152,630	136,228	233,291	175,815
Total Revenues	<u>\$ 5,020,397</u>	<u>\$ 4,691,467</u>	<u>\$ 3,643,670</u>	<u>\$ 1,558,001</u>	<u>\$8,664,067</u>	<u>\$ 6,249,468</u>
EXPENSES						
<i>General Government</i>	\$ 900,666	\$ 791,421	\$ -	\$ -	\$ 900,666	\$ 791,421
<i>Public Safety</i>	1,946,030	1,926,213	-	-	1,946,030	1,926,213
<i>Public Works</i>	676,962	530,728	-	-	676,962	530,728
<i>Building and Public Grounds</i>	681,183	790,866	-	-	681,183	790,866
<i>Culture and Recreation</i>	312,111	33,727	-	-	312,111	331,727
<i>Solid Waste</i>	245,040	25,592	-	-	245,040	252,592
<i>Water</i>	-	-	1,359,605	1,474,896	1,359,605	1,474,896
<i>Sewer</i>	-	-	675,554	849,458	675,554	849,458
<i>Commuter Lot</i>	-	-	72,197	106,159	72,197	106,159
<i>Interest</i>	123,393	102,709	-	-	123,393	102,709
Total Expenses	<u>\$ 4,885,385</u>	<u>\$ 4,726,256</u>	<u>\$ 2,107,356</u>	<u>\$ 2,430,513</u>	<u>\$ 6,992,741</u>	<u>\$ 7,156,769</u>
Change in Net Assets	\$ 135,012	\$ (34,789)	\$ 1,536,314	\$ (872,512)	\$ 1,671,326	\$ (907,301)
Ending Net Assets	\$ 4,806,774	\$ 4,771,985	\$ 24,379,972	\$ 23,507,460	\$ 29,186,746	\$ 28,279,445

Normal Impacts-Changes In Net Assets

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

Revenues:

- **Economic Condition** – Reflects a declining, stable, or growing economic environment and has a substantial impact on state income, sales, telecommunications, and utility tax revenues; as well as, public spending habits for items, such as: building permits and user fees including volumes of usage.
- **Increase/Decrease In Village Approved Rates** – While certain tax rates are set by statute, the Village Council has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers, etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index (3.6% for the 2008 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 declined (the CPI-U was (0.74%) at the end of FY09 compared to the end of FY08’s CPI-U of 3.6% - the decrease was attributable to decline in the overall economy), but the CPI measures “average” inflation. Almost everyone will have either a higher or a lower inflation rate based upon his or her exact goods or services purchased. Sometimes these consumer specific inflation rates can be significantly different from the CPI. To get a better idea of how the specific inflation faced by local governments compares with the CPI, the Illinois Municipal League began constructing its own Illinois Municipality Price Index (MPI) in 1968. This MPI takes into account that municipalities, including the Village of Palos Park, are heavy consumers of services (such as engineers, lawyers, accountants, governmental wages, and health insurance) and energy dependent commodities (such as patrol vehicle fuel, asphalt, and electricity). For most of the past 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 decline in all operating categories except for property taxes and intergovernmental taxes during the year. However, since no capital grants were posted in the fiscal year, overall total revenues in FY09 were reduced by a net amount of \$218,653. Revenues from governmental activities totaled \$4,691,467 (\$1,298,679 for Charges for Services; \$189,263 for Operating Grants, \$20,000 for Capital Grants, and \$3,183,525 for General Revenues). Property taxes were the Village’s largest source of revenue at \$1,053,410, an increase of 3.84% over FY08. Sales tax revenue decreased by 8.08% to 690,060, \$60,693 less than FY08. Utility taxes in FY09 increased to \$620,803 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 decreased to \$482,959 or 26.04%, due to the decline in housing development; as well as, general investment activity in the maintenance of home improvements. State income taxes decreased 1.05% to an annual total of \$427,237 or \$91.11 per capita. In the non-major governmental Police Asset Forfeiture Fund, \$85,288 of a budgeted \$150,700 was received in FY09, reversing a trend (FY08’s revenues were \$112,017). Other revenue sources have experienced minor decreases, again reflecting the decline in the economy.

Expenses: Expenses for governmental activities totaled \$4,726,256 a 4.41% decrease over FY08. Some of the more notable decreases in spending are noted below. Personnel costs (including employment taxes) increased only slightly by 2.48% (with wages increasing 9.29% and benefits decreasing 12.927%). Legal fees decreased 32.14% to \$112,068 in FY09. Modest increases in departmental expenses Public Safety, Public Works, and Recreation Departments were noted in current fiscal year.

Business-Type Activities

Revenue: Revenue from business-type activities totaled \$1,558,001 (\$1,391,519 Charge for Services, and \$166,482 from investments) a decrease of \$2,085,669 over the previous fiscal year. FY09 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 2009. It was initially projected in FY09 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 2010.

Expenses: Expenses for business-type activities totaled \$2,430,513, a \$323,157 increase over FY08. In FY09 the Personnel expenses decreased by \$16,699. Water purchases increased by 13.69% to \$330,253, again because of increased usage by residents during the summer of 2008. Overall sewer fund operating expenses were more in FY09 due to the increase in water purchase; as well as, services costs increased. 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 FY08, but that has been moved to a later date in the next fiscal year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the fiscal year ended April 30, 2009, the governmental funds reflect a combined fund balance of \$1,763,611; a decrease of \$223,814, or 11.26%, under the prior fiscal year. Total revenues for the General Fund were less than the budgeted revenues by \$524,400, or 10.85%. A majority of that revenue shortfall can be attributed to lower state shared revenues, intergovernmental revenues, and fines and forfeits. Operating expenditures were lower than projected in the budget by \$255,376 but those were offset by increased expenditures totaling \$22,371 in budgeted versus actual expenditures for public safety, capital outlay, and debt retirement

The General Fund fund balance at April 30, 2009 was \$1,071,223, a reduction of \$192,026. 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.

General Fund Budgetary Highlights

<i>General Fund</i>	<i>FY09 Budget</i>	<i>FY09 Actual</i>	<i>FY08 Actual</i>	<i>FY07 Actual</i>	<i>FY06 Actual</i>
<i>Revenues</i>					
<i>Taxes</i>	\$ 3,041,640	\$ 2,944,505	\$ 2,952,001	\$ 2,764,198	\$ 2,757,466
<i>Licenses & Permits</i>	554,190	48,959	653,044	505,647	415,187
<i>Intergovernmental</i>	298,160	95,575	26,994	73,921	40,677
<i>Other</i>	939,034	785,585	895,238	853,036	726,950
<i>Total</i>	\$ 4,833,024	\$ 4,308,624	\$ 4,527,277	\$ 4,196,802	\$ 3,940,280
<i>Expenditures</i>					
<i>Current</i>	(\$4,355,454)	(\$4,092,084)	(\$4,166,766)	(\$3,731,269)	(\$3,674,974)
<i>Capital Outlay</i>	(46,510)	(54,267)	(114,438)	(733,931)	(147,561)
<i>Debt Service</i>	(296,068)	(296,305)	(366,641)	(336,966)	(259,006)
<i>Total</i>	(\$4,698,032)	(\$4,442,656)	(\$4,647,845)	(\$4,801,166)	(\$4,081,514)
<i>Other Financing Sources Uses</i>					
<i>Transfers In</i>	\$ 13,700	\$ 13,700	\$ 66,358	\$ 0	\$ 39,973
<i>Transfers Out</i>	(97,000)	(110,872)	(56,000)	(60,200)	(50,000)
<i>Issuance of installment notes</i>	0	31,316	0	653,599	109,429
<i>Proceeds from sale of assets</i>	25,000	7,862	3,239	16,576	17,281
<i>Total</i>	\$ 58,300	(\$ 57,994)	\$ 13,597	609,975	116,683
<i>Net Change in Fund Balance</i>	\$ 76,692	(\$ 192,026)	(\$ 106,971)	\$ 4,611	(\$ 24,551)

Actual General Fund revenues were smaller than originally budgeted revenues by \$524,400 for FY09. The actual expenditures exceeded the actual revenue by 134,032. Notable differences between the budget and actual numbers for Revenues, Expenditures, and Other Financing Sources are below.

Intergovernmental Revenues were \$202,585 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 FY09. We received \$8,550 of the Tomorrow Corridor planning grant in FY08. We also anticipated a Department of Commerce and Economic Development Grant in the amount of \$20,000 for bike trail development which was not received during FY09.

General Fund expenditures were \$255,376 less than anticipated, as a result of tighter controls on spending, decrease in wages in Administration, Finance, and Public Works Departments. Reduction in benefits and capital outlay, also contribute to the decrease in expenditures.

In FY09 Transfers into the General Fund came in as anticipated. The proceeds from the sale of assets were considerable less than anticipated by \$17,138.

CAPITAL ASSET AND DEBT ADMINISTRATION
--

Capital Assets

At the end of Fiscal Year 2009, the Village's Governmental Funds had invested \$5,284,225 (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, 2008</i>	<i>Additions/ Deletions</i>	<i>Ending Balance, April 30, 2009</i>
<i>Non-Depreciable Assets</i>			
<i>Land</i>	\$ 1,598,500	\$ -	\$ 1,598,500
<i>Depreciable Capital Assets</i>			
<i>Infrastructure</i>	300,000	-	300,000
<i>Buildings and Improvements</i>	3,862,500	-	3,862,500
<i>Equipment and Vehicles</i>	765,922	22,019	787,941
<i>Accumulated Depreciation on Capital Assets</i>	(1,242,697)	(81,612)	(1,324,309)
<i>Totals</i>	\$ 5,284,225	\$ (59,593)	\$ 5,224,632

As seen above, there was no new Construction-in-Progress or Construction-in-Progress retirements for the Governmental Funds in FY09. Two new trucks were purchased for Public Works; as well as, a brush chipper was added to the department. In FY09 trucks were traded in during the purchase of the new vehicles, resulting in deletions to capital assets.

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, 2009, the balance on this note was \$75,000.

In 2000, the Village issued a \$1,845,000 installment contract for the construction of the Kaptur Administrative Center. As of April 30, 2009, the balance on this installment contract was \$1,190,000.

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, 2009, the balance was \$180,000.

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, 2009, the balance was \$535,000.

The Village had 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. During February 2008, the Village issued one installment contract in the amount of \$83,599 for the purchase of a dump truck. As of April 30, 2009, there is a zero balance on this contract. In the month of August 2008, the Village issued one installment contract in the amount of \$31,316 for the purchase of a brush chipper. As of April 30, 2009, there is a \$26,977 balance on this contract.

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, 2009 was \$358,622.

In FY05, the Village issued \$450,000 Series 2004 General Obligation Alternate Revenue Bonds for the extension of water and sewer along certain areas of LaGrange Road and the area of 131st Street and Wolf Road. In FY06, the Village issued \$450,000 Series 2005 General Obligation Alternate Revenue Bonds for the 94th Ave. /Rod Estates/Munch Subdivision. In both cases the property taxes on these bonds are to be abated annually and the bonds are repaid with water and sewer revenues. As of April 30, 2009 the combined principal balance remaining was \$715,000.

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 \$22,796,927. The Village's potential total general obligation debt of \$715,000 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 2008 Equalized Assessed Value (EAV) for property taxes payable in 2009 increased by 17.58% over the 2008 EAV, which is greater than the 6.32% experienced in the previous year (2007) but still below the 21.4% experienced the year before for the 2005 tax year; for which there are two explanations for this increase. 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 FY08 and FY09, 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 17.58% of the property tax assessed its citizens (this increases to 18.96% if you add the Village's library component unit). The Consumer Price Index for the Chicago-Gary-Kenosha area was 0.3% for April 2009; a figure below the national average of 0.74%. 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, 2009

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Palos Park Public Library
ASSETS				
Cash and cash equivalents	\$ 1,518,616	\$ 1,430,699	\$ 2,949,315	\$ 686,030
Investments	224,932	96,400	321,332	-
Receivables, net of allowance where applicable				
Accounts	-	186,689	186,689	-
Property taxes	614,973	-	614,973	199,359
State sales tax	192,924	-	192,924	-
Grants	-	-	-	5,673
Other	341,321	-	341,321	-
Motor fuel tax allotments receivable	9,364	-	9,364	-
Prepaid expenses	53,247	12,386	65,633	-
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)	3,626,132	22,944,989	26,571,121	226,848
Total assets	8,190,534	24,691,163	32,881,697	1,128,610
LIABILITIES				
Accounts payable	401,471	46,628	448,099	-
Wages payable	104,766	17,786	122,552	9,921
Deposits payable	5,149	-	5,149	-
Accrued interest	38,888	11,132	50,020	-
Unearned revenues	680,380	-	680,380	199,359
Long-term liabilities				
Due within one year	291,998	97,890	389,888	4,375
Due in more than one year	1,895,897	1,010,267	2,906,164	-
Total liabilities	3,418,549	1,183,703	4,602,252	213,655
NET ASSETS				
Invested in capital assets, net of related debt	3,292,655	21,891,367	25,184,022	237,548
Restricted for				
Public safety	9,870	-	9,870	-
Public works	72,644	-	72,644	-
Culture and recreation	45,305	-	45,305	677,407
Unrestricted	1,351,511	1,616,093	2,967,604	-
TOTAL NET ASSETS	\$ 4,771,985	\$ 23,507,460	\$ 28,279,445	\$ 914,955

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 791,421	\$ 311,656	\$ -	\$ -
Public safety	1,926,213	229,111	16,390	-
Public works	530,728	-	172,873	-
Building and public grounds	790,866	313,868	-	-
Culture and recreation	331,727	188,003	-	20,000
Solid waste	252,592	256,041	-	-
Interest	102,709	-	-	-
Total governmental activities	4,726,256	1,298,679	189,263	20,000
Business-Type Activities				
Water	1,474,896	1,058,410	-	-
Sewer	849,458	241,071	-	-
Commuter lot	106,159	92,038	-	-
Total business-type activities	2,430,513	1,391,519	-	-
TOTAL PRIMARY GOVERNMENT	\$ 7,156,769	\$ 2,690,198	\$ 189,263	\$ 20,000
COMPONENT UNIT				
Palos Park Public Library	\$ 390,474	\$ 19,316	\$ 5,673	\$ -

Net (Expense) Revenue and Change in Net Assets				
Primary Government				Component Unit
Governmental Activities	Business-Type Activities	Total	Palos Park Public Library	
\$ (479,765)	\$ -	\$ (479,765)	\$ -	
(1,680,712)	-	(1,680,712)	-	
(357,855)	-	(357,855)	-	
(476,998)	-	(476,998)	-	
(123,724)	-	(123,724)	-	
3,449	-	3,449	-	
(102,709)	-	(102,709)	-	
(3,218,314)	-	(3,218,314)	-	
-	(416,486)	(416,486)	-	
-	(608,387)	(608,387)	-	
-	(14,121)	(14,121)	-	
-	(1,038,994)	(1,038,994)	-	
(3,218,314)	(1,038,994)	(4,257,308)	-	
-	-	-	(365,485)	
General Revenues				
Taxes				
Property	1,053,410	-	1,053,410	331,226
Sales	858,847	-	858,847	-
Income	427,237	-	427,237	-
Utility	620,803	-	620,803	-
Other	152,995	-	152,995	5,670
Investment income	30,646	30,254	60,900	13,253
Miscellaneous	39,587	136,228	175,815	3,875
Total	3,183,525	166,482	3,350,007	354,024
CHANGE IN NET ASSETS	(34,789)	(872,512)	(907,301)	(11,461)
NET ASSETS, MAY 1	4,806,774	24,379,972	29,186,746	926,416
NET ASSETS, APRIL 30	\$ 4,771,985	\$ 23,507,460	\$ 28,279,445	\$ 914,955

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2009

	General	Nonmajor	Total
ASSETS			
Cash and cash equivalents	\$ 801,238	\$ 717,378	\$ 1,518,616
Investments	224,932	-	224,932
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	614,973	-	614,973
State sales tax	156,540	36,384	192,924
Other	341,321	-	341,321
Motor fuel tax allotments receivable	-	9,364	9,364
Prepaid items	53,247	-	53,247
TOTAL ASSETS	\$ 2,192,251	\$ 763,126	\$ 2,955,377
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 396,140	\$ 5,331	\$ 401,471
Deposits payable	5,149	-	5,149
Wages payable	104,766	-	104,766
Deferred revenues	614,973	65,407	680,380
Total liabilities	1,121,028	70,738	1,191,766
FUND BALANCES			
Reserved for prepaid items	53,247	-	53,247
Reserved for public safety	-	9,870	9,870
Reserved for public works	-	72,644	72,644
Reserved for culture and recreation	-	45,305	45,305
Unreserved			
Undesignated			
General	1,017,976	-	1,017,976
Special revenue	-	150,721	150,721
Capital projects	-	413,848	413,848
Total fund balances	1,071,223	692,388	1,763,611
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,192,251	\$ 763,126	\$ 2,955,377

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, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,763,611
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	5,224,632
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	(38,888)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Installment contracts	(1,931,977)
Notes payable	(75,000)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	<u>(180,918)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,771,985</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, 2009

	General	Nonmajor	Total
REVENUES			
Property taxes	\$ 1,053,410	\$ -	\$ 1,053,410
Other taxes	1,891,095	168,787	2,059,882
Licenses, permits and fees	482,959	-	482,959
Intergovernmental	95,575	122,361	217,936
Charges for services	27,834	51,694	79,528
Fees by agreement	609,133	-	609,133
Fines and forfeits	85,288	25,614	110,902
Investment income	21,259	9,387	30,646
Miscellaneous	42,071	5,000	47,071
Total revenues	4,308,624	382,843	4,691,467
EXPENDITURES			
Current			
General government	712,090	-	712,090
Public safety	1,870,042	3,577	1,873,619
Public works	459,008	94,417	553,425
Building and public grounds	513,528	265,843	779,371
Culture and recreation	284,824	24,301	309,125
Solid waste	252,592	-	252,592
Capital outlay	54,267	66,021	120,288
Debt service			
Principal	212,256	70,000	282,256
Interest and fiscal charges	84,049	22,644	106,693
Total expenditures	4,442,656	546,803	4,989,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(134,032)	(163,960)	(297,992)
OTHER FINANCING SOURCES (USES)			
Transfers in	13,700	118,372	132,072
Transfers (out)	(110,872)	(21,200)	(132,072)
Issuance of installment contracts	31,316	-	31,316
Proceeds from sale of assets	7,862	35,000	42,862
Total other financing sources (uses)	(57,994)	132,172	74,178
NET CHANGE IN FUND BALANCES	(192,026)	(31,788)	(223,814)
FUND BALANCES, MAY 1	1,263,249	724,176	1,987,425
FUND BALANCES, APRIL 30	\$ 1,071,223	\$ 692,388	\$ 1,763,611

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, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (223,814)
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	136,823
Retirement of capital assets used in governmental activities are not financial resources and, therefore, not reported in governmental funds	(3,361)
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities	(31,316)
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	282,256
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	(193,055)
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	3,984
Increase in compensated absences	(6,306)
	<hr/>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (34,789)</u>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

April 30, 2009

	Business-Type Activities			
	Water	Sewer Maintenance	Nonmajor	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 969,027	\$ 453,473	\$ 8,199	\$ 1,430,699
Investments	96,400	-	-	96,400
Accounts receivable	147,766	38,923	-	186,689
Prepaid expenses	6,047	5,362	977	12,386
Total current assets	1,219,240	497,758	9,176	1,726,174
CAPITAL ASSETS				
Capital assets, not being depreciated	20,000	-	-	20,000
Capital assets, being depreciated, cost	16,330,171	16,837,753	-	33,167,924
Less accumulated depreciation	(4,978,369)	(5,244,566)	-	(10,222,935)
Net capital assets	11,371,802	11,593,187	-	22,964,989
Total assets	12,591,042	12,090,945	9,176	24,691,163
CURRENT LIABILITIES				
Accounts payable	36,357	8,688	1,583	46,628
Wages payable	13,725	4,061	-	17,786
Accrued interest	4,883	6,249	-	11,132
Compensated absences payable	3,263	1,917	-	5,180
General obligation bond payable	24,400	30,600	-	55,000
Special assessment bond payable	37,710	-	-	37,710
Total current liabilities	120,338	51,515	1,583	173,436
LONG-TERM LIABILITIES				
Compensated absences payable	18,490	10,865	-	29,355
General obligation bond payable	294,656	365,344	-	660,000
Special assessment bond payable	320,912	-	-	320,912
Total long-term liabilities	634,058	376,209	-	1,010,267
Total liabilities	754,396	427,724	1,583	1,183,703
NET ASSETS				
Invested in capital assets, net of related debt	10,694,124	11,197,243	-	21,891,367
Unrestricted	1,142,522	465,978	7,593	1,616,093
TOTAL NET ASSETS	\$ 11,836,646	\$ 11,663,221	\$ 7,593	\$ 23,507,460

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, 2009

	Business-Type Activities			
	Sewer			Total
	Water	Maintenance	Nonmajor	
OPERATING REVENUES				
Charges for services	\$ 1,020,790	\$ 238,732	\$ 92,038	\$ 1,351,560
Sale of water meters	8,436	-	-	8,436
Other income	29,184	2,339	-	31,523
Total operating revenues	1,058,410	241,071	92,038	1,391,519
OPERATING EXPENSES				
Personnel	200,651	188,754	-	389,405
Commodities	20,332	28,121	1,533	49,986
Water purchases	330,253	-	-	330,253
Services	450,541	159,721	104,626	714,888
Repairs and maintenance	29,495	27,040	-	56,535
Depreciation	415,210	430,465	-	845,675
Total operating expenses	1,446,482	834,101	106,159	2,386,742
OPERATING INCOME (LOSS)	(388,072)	(593,030)	(14,121)	(995,223)
NONOPERATING REVENUES (EXPENSES)				
Investment income	20,560	8,481	1,213	30,254
Rental income	28,745	-	-	28,745
Tap-on fees	27,682	75,287	-	102,969
Sale of capital assets	558	3,956	-	4,514
Interest expense	(28,414)	(15,357)	-	(43,771)
Total nonoperating revenues (expenses)	49,131	72,367	1,213	122,711
NET INCOME	(338,941)	(520,663)	(12,908)	(872,512)
NET ASSETS, MAY 1	12,175,587	12,183,884	20,501	24,379,972
NET ASSETS, APRIL 30	\$ 11,836,646	\$ 11,663,221	\$ 7,593	\$ 23,507,460

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2009

	Business-Type Activities			
	Water	Sewer Maintenance	Nonmajor	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,028,158	\$ 231,218	\$ 92,038	\$ 1,351,414
Payments to suppliers	(823,729)	(214,731)	(107,012)	(1,145,472)
Payments to employees	(190,460)	(183,490)	-	(373,950)
Net cash from operating activities	13,969	(167,003)	(14,974)	(168,008)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayments to other funds	-	-	(9,949)	(9,949)
Rental income	28,745	-	-	28,745
Tap-on fees	27,682	75,287	-	102,969
Net cash from noncapital financing activities	56,427	75,287	(9,949)	121,765
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(7,691)	(49,969)	-	(57,660)
Proceeds from sale of assets	-	3,956	-	3,956
Principal paid on long-term debt	(59,710)	(33,000)	-	(92,710)
Interest paid on long-term debt	(28,760)	(15,698)	-	(44,458)
Net cash from capital and related financing activities	(96,161)	(94,711)	-	(190,872)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	91,191	8,481	1,213	100,885
Net cash from investing activities	91,191	8,481	1,213	100,885
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	65,426	(177,946)	(23,710)	(136,230)
CASH AND CASH EQUIVALENTS, MAY 1	903,601	631,419	31,909	1,566,929
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 969,027	\$ 453,473	\$ 8,199	\$ 1,430,699
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (388,072)	\$ (593,030)	\$ (14,121)	\$ (995,223)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	415,210	430,465	-	845,675
Changes in assets and liabilities				
Receivables	(30,252)	(9,853)	-	(40,105)
Prepaid expenses	3,772	2,136	30	5,938
Accounts payable	3,120	(1,985)	(883)	252
Accrued payroll and compensated absences	10,191	5,264	-	15,455
NET CASH FROM OPERATING ACTIVITIES	\$ 13,969	\$ (167,003)	\$ (14,974)	\$ (168,008)

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

April 30, 2009

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,246,411
Investments		
U.S. Treasury securities	141,077	-
U.S. agency securities	701,673	-
Municipal bonds	103,042	-
Mutual funds	124,921	-
Money market mutual funds	59,583	-
Accrued interest	11,321	-
	<hr/>	
Total assets	1,141,617	\$ 2,246,411
	<hr/>	
LIABILITIES		
Due to bondholders	-	\$ 2,246,411
	<hr/>	
Total liabilities	-	\$ 2,246,411
	<hr/>	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<hr/> \$ 1,141,617 <hr/>	

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2009

ADDITIONS	
Contributions	
Employer	\$ 189,366
Employee	<u>57,268</u>
Total contributions	<u>246,634</u>
Investment income	
Interest	39,102
Net depreciation in fair value of of investments	<u>(14,217)</u>
Total investment income	24,885
Less investment expense	<u>(4,802)</u>
Net investment income	<u>20,083</u>
Total additions	<u>266,717</u>
DEDUCTIONS	
Benefits and refunds	75,437
Administration	<u>1,264</u>
Total deductions	<u>76,701</u>
NET INCREASE	190,016
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>951,601</u>
April 30	<u><u>\$ 1,141,617</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALOS PARK, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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VILLAGE OF PALOS PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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.

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

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 special assessments 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.

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

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.

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

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.

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

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 nonnegotiable 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, 2009 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts, if any, are valued at contract value as of April 30, 2009.

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.

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

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.

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

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. 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.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. In addition, investments are separately held by several of the Village’s funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

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

2. DEPOSITS AND 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 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, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury obligations	\$ 147,163	\$ -	\$ 84,641	\$ 62,522	\$ -
U.S. agency obligations	168,094	-	136,593	31,501	-
Money market mutual funds	6,074	6,074	-	-	-
TOTAL	\$ 321,331	\$ 6,074	\$ 221,234	\$ 94,023	\$ -

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

In accordance with its investment policy, the Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. The U.S. Treasury and U.S. agency 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 security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) or a receipts versus payment (RVP) basis with the underlying investments held by a safekeeping agent designated by the Village and evidenced by safekeeping receipts.

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

2. 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, 2009, the Village had greater than five percent of its overall portfolio invested in U.S. Treasury obligations and U.S. agency obligations. The Village's investment policy requires diversification of investment to avoid unreasonable risk. The policy requires that no category of investment should exceed 40% of the total portfolio except for cash equivalents and treasury securities. Further, the portfolio should at no time hold deposits constituting more than 10% of any single financial institution's total deposits.

B. Police Pension Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains 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)

2. 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, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury obligations	\$ 141,077	\$ -	\$ -	\$ 106,632	\$ 34,444
U.S. agency obligations	701,673	-	396,206	222,417	83,050
Municipal bonds	103,042	-	26,210	10,063	66,769
Money market mutual funds	59,583	59,583	-	-	-
TOTAL	\$ 1,005,375	\$ 59,583	\$ 422,416	\$ 339,112	\$ 184,263

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

In accordance with its investment policy, the Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency obligations and other highly rated obligations. The U.S. Treasury and U.S. agency 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. However, there is no exposure to custodial credit risk for investments.

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

2. 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, 2009, the Police Pension Fund had greater than five percent of its overall portfolio invested in U.S. Treasury and U. S. agency 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.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2008 levy year attach as an enforceable lien on January 1, 2008, 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, 2009 and September 1, 2009, 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 2007 levy and the first half collections of 2008 are intended to finance the 2009 fiscal year. The remaining collections of the 2008 levy are not considered available for current operations and are, therefore, shown as deferred revenue. The 2009 tax levy has not been recorded as a receivable at April 30, 2009, as the tax attached as a lien on property as of January 1, 2009; however, the tax will not be levied until December 2009 and, accordingly, is not measurable at April 30, 2009.

4. OTHER RECEIVABLES

The following receivables are included in other receivables on the statement of net assets:

GOVERNMENTAL ACTIVITIES	
Accounts	\$ 99,725
Local use tax	14,316
State income tax	59,998
Telecommunications tax	56,798
Court fines	6,175
Grants	59,590
Refuse on-site charges	44,719
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 341,321

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

5. CAPITAL ASSETS

Capital asset activity for the Village for the year ended April 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
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	765,922	136,823	114,804	787,941
Total capital assets being depreciated	4,928,422	136,823	114,804	4,950,441
Less accumulated depreciation for				
Infrastructure	20,000	10,000	-	30,000
Buildings and improvements	778,535	96,562	-	875,097
Vehicles	444,162	86,493	111,443	419,212
Total accumulated depreciation	1,242,697	193,055	111,443	1,324,309
Total capital assets being depreciated, net	3,685,725	(56,232)	3,361	3,626,132
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 5,284,225	\$ (56,232)	\$ 3,361	\$ 5,224,632
BUSINESS-TYPE ACTIVITIES				
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	16,286,511	-	-	16,286,511
Sewer distribution system	16,787,784	49,969	-	16,837,753
Vehicles	35,411	8,249	-	43,660
Total capital assets being depreciated	33,109,706	58,218	-	33,167,924
Less accumulated depreciation for				
Water distribution system	4,541,913	406,478	-	4,948,391
Sewer distribution system	4,814,101	430,465	-	5,244,566
Vehicles	21,246	8,732	-	29,978
Total accumulated depreciation	9,377,260	845,675	-	10,222,935
Total capital assets being depreciated, net	23,732,446	(787,457)	-	22,944,989
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$23,752,446	\$ (787,457)	\$ -	\$22,964,989

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 84,875
Public safety	37,898
Public works	62,411
Culture and recreation	<u>7,871</u>

TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES

\$ 193,055

6. 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 \$25,000 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.

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

6. 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, 2009, for the current or prior claim years.

7. LONG-TERM DEBT

A. Installment Contracts Payable

The Village has outstanding installment contracts payable at April 30, 2009:

\$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 2006 Certificates, dated October 23, 2006, 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%.

\$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%.

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

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

7. LONG-TERM DEBT (Continued)

A. Installment Contracts Payable (Continued)

Changes in installment contracts for the year ended April 30, 2009 are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirement s	Balances April 30	Current Portion
Series 2000 Certificates	General	\$ 1,350,000	\$ -	\$ 160,000	\$ 1,190,000	\$ 170,000
Series 2002 Certificates	General	198,000	-	18,000	180,000	19,000
Series 2006 Certificates	Land Acquisition and Recreation	555,000	-	20,000	535,000	20,000
2008 Installment Purchase Contract	General	29,917	-	29,917	-	-
2008 Installment Purchase Contract	General	-	31,316	4,339	26,977	5,860
TOTAL INSTALLMENT CONTRACTS PAYABLE		\$ 2,132,917	\$ 31,316	\$ 232,256	\$ 1,931,977	\$ 214,860

B. Notes Payable

The Village has outstanding notes payable at April 30, 2009:

\$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)

7. LONG-TERM DEBT (Continued)

B. Notes Payable (Continued)

Changes in notes payable for the year ended April 30, 2009 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	\$ 125,000	\$ -	\$ 50,000	\$ 75,000	\$ 50,000
TOTAL NOTES PAYABLE		\$ 125,000	\$ -	\$ 50,000	\$ 75,000	\$ 50,000

C. Debt Service Requirements to Maturity

Fiscal Year Ending April 30,	Installment Contracts		Notes Payable	
	Principal	Interest	Principal	Interest
2010	\$ 214,860	\$ 96,205	\$ 50,000	\$ -
2011	226,149	85,420	25,000	-
2012	242,453	73,932	-	-
2013	258,771	61,469	-	-
2014	264,744	48,067	-	-
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	-	-
TOTAL	\$ 1,931,977	\$ 511,860	\$ 75,000	\$ -

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

7. 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	\$ 2,132,917	\$ 31,316	\$ 232,256	\$ 1,931,977	\$ 214,860
Notes payable	125,000	-	50,000	75,000	50,000
Compensated absences payable*	174,612	180,918	174,612	180,918	27,138
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES	\$ 2,432,529	\$ 212,234	\$ 456,868	\$ 2,187,895	\$ 291,998

* 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 \$96,624 at April 30, 2009. Special Assessment 96-1B has a remaining public benefit portion of \$261,998 at April 30, 2009. Debt service to maturity on these two obligations is as follows:

Fiscal Year Ending April 30,	Public Benefit Special Assessments	
	Principal	Interest
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
TOTAL	\$ 358,622	\$ 90,648

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

7. 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
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
TOTAL	\$ 715,000	\$ 173,184

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

7. 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	\$ 396,332	\$ -	\$ 37,710	\$ 358,622	\$ 37,710
Alternate revenue bonds payable	770,000	-	55,000	715,000	55,000
Compensated absences payable	21,113	34,535	21,113	34,535	5,180
TOTAL BUSINESS-TYPE LONG-TERM LIABILITIES	\$ 1,187,445	\$ 34,535	\$ 113,823	\$ 1,108,157	\$ 97,890

F. Special Assessment Bonds

Special assessment bonds outstanding as of April 30, 2009 totaled \$3,979,921. 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.

8. INTERFUND ACCOUNTS

Interfund transfers during the year ended April 30, 2009 consisted of the following:

	Transfer In	Transfer Out
General	\$ 13,700	\$ 110,872
Nonmajor Governmental		
Special Revenue - Police Forfeiture Fund	13,872	13,700
Special Revenue - Business District Fund	57,000	-
Special Revenue - Exaction Fee Fund	-	7,500
Special Revenue - Land Acquisition and Recreation	7,500	-
Capital Projects - Capital Improvements	40,000	-
TOTAL	\$ 132,072	\$ 132,072

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

8. INTERFUND ACCOUNTS (Continued)

The purpose of the interfund transfer is as follows:

\$57,000 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.

\$13,700 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.

\$13,872 transferred from the General Fund to the Special Revenue - Police Forfeiture Fund. This relates to accumulated police department funds transferred for future use by the Police Forfeiture Fund. The transfer will not be repaid.

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

\$7,500 transferred from the Special Revenue - Exaction Fee Fund to the Special Revenue - Land Acquisition and Recreation Fund. This relates to payment of debt service. The transfer will not be repaid.

9. 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, 2009, the Village has remitted a total of \$156,665 to the developer.

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

10. 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, 2008 was 8.67% 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>

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

10. 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 19.44% 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)

10. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
	<hr/>	<hr/>
Actuarial valuation date	December 31, 2006	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	30 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	0.40% to 11.60%	Not Available

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

10. 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)	2006	\$ 93,291	2006	\$ 119,727
	2007	105,601	2007	137,016
	2008	122,594	2008	163,954
Actual contribution	2006	93,291	2006	118,867
	2007	105,601	2007	136,312
	2008	122,594	2008	202,122
Percentage of APC contributed	2006	100.00%	2006	99.28%
	2007	100.00%	2007	99.49%
	2008	100.00%	2008	123.28%
NPO (Asset)	2006	\$ -	2006	\$ 26,939
	2007	-	2007	27,643
	2008	-	2008	(10,525)

The NPO has been calculated as follows as of April 30, 2008 (most recent available):

	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)

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans is based on actuarial valuations performed as of December 31, 2008 and April 30, 2008, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed above:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 3,008,367	\$ 2,395,755
Actuarial value of plan assets	1,861,482	951,601
Unfunded actuarial accrued liability (UAAL)	1,146,885	1,444,154
Funded ratio (actuarial value of plan assets/AAL)	61.88%	39.72%
Covered payroll (active plan members)	\$ 1,414,001	\$ 588,522
UAAL as a percentage of covered payroll	81.11%	245.39%

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

11. 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.

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

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

A. Summary of Significant Accounting Policies (Continued)

1. Fund Accounting (Continued)

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.

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.

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

11. 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)

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.

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.

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

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

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.

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. Treasury and U.S. agency obligations are all rated AAA.

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

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

B. Deposits and Investments (Continued)

Investments (Continued)

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, 2009, the Library had greater than five percent of its overall portfolio invested in Illinois Funds.

C. Receivables

Property taxes for the 2008 levy year attach as an enforceable lien on January 1, 2008, 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, 2009 and September 1, 2009, and are payable in two installments, on or about March 1, 2009 and October 1, 2009.

The County collects such taxes and remits them periodically. The second half collections of the 2007 levy and the first half collections of 2008 are intended to finance the 2009 fiscal year. The remaining collections of the 2008 levy are not considered available for current operations and are, therefore, shown as deferred revenue. The 2009 tax levy has not been recorded as a receivable at April 30, 2009, as the tax attached as a lien on property as of January 1, 2009; however, the tax will not be levied until December 2009 and, accordingly, is not measurable at April 30, 2009.

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

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

D. Capital Assets

Capital asset activity for the Library for the year ended April 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 10,700	\$ -	\$ -	\$ 10,700
Capital assets being depreciated				
Land improvements	23,380	-	-	23,380
Buildings and improvements	421,664	-	-	421,664
Total capital assets being depreciated	445,044	-	-	445,044
Less accumulated depreciation for				
Land improvements	11,690	779	-	12,469
Buildings and improvements	195,185	10,542	-	205,727
Total accumulated depreciation	206,875	11,321	-	218,196
Total capital assets being depreciated, net	238,169	(11,321)	-	226,848
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 248,869	\$ (11,321)	\$ -	\$ 237,548

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

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	\$ 6,502	\$ -	\$ 2,127	\$ 4,375	\$ 4,375
TOTAL GENERAL LONG-TERM DEBT	\$ 6,502	\$ -	\$ 2,127	\$ 4,375	\$ 4,375

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, 2009
(With Comparative Actual)

	2009			Variance Over (Under)	2008 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Taxes					
Property tax	\$ 1,077,500	\$ 1,077,500	\$ 1,053,410	\$ (24,090)	\$ 1,014,455
State sales tax	730,000	730,000	690,060	(39,940)	750,753
State income tax	477,656	477,656	427,237	(50,419)	431,732
Utility tax	580,000	580,000	620,803	40,803	603,983
Other taxes	176,484	176,484	152,995	(23,489)	151,078
Licenses, permits and inspections	554,190	554,190	482,959	(71,231)	653,044
Intergovernmental	298,160	298,160	95,575	(202,585)	26,994
Charges for services	29,373	29,373	27,834	(1,539)	34,966
Fees by agreement	697,891	697,891	609,133	(88,758)	620,443
Fines and forfeits	150,700	150,700	85,288	(65,412)	112,017
Investment income	18,170	18,170	21,259	3,089	36,851
Miscellaneous	42,900	42,900	42,071	(829)	90,961
Total revenues	4,833,024	4,833,024	4,308,624	(524,400)	4,527,277
EXPENDITURES					
Current					
General government	844,831	833,665	712,090	(121,575)	802,126
Public safety	1,856,452	1,858,088	1,870,042	11,954	1,864,814
Public works	543,627	541,851	459,008	(82,843)	449,358
Building and public grounds	571,284	569,093	513,528	(55,565)	528,656
Culture and recreation	288,468	289,354	284,824	(4,530)	276,772
Solid waste	263,403	263,403	252,592	(10,811)	245,040
Capital outlay	50,800	46,510	54,267	7,757	114,438
Debt service					
Principal retirement	205,733	209,596	212,256	2,660	243,506
Interest charges and fees	85,345	86,472	84,049	(2,423)	123,135
Total expenditures	4,709,943	4,698,032	4,442,656	(255,376)	4,647,845
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	123,081	134,992	(134,032)	(269,024)	(120,568)
OTHER FINANCING SOURCES (USES)					
Transfers in	13,700	13,700	13,700	-	66,358
Transfers (out)	(97,000)	(97,000)	(110,872)	(13,872)	(56,000)
Issuance of installment contracts	-	-	31,316	31,316	-
Proceeds from sale of assets	25,000	25,000	7,862	(17,138)	3,239
Total other financing sources (uses)	(58,300)	(58,300)	(57,994)	306	13,597
NET CHANGE IN FUND BALANCE	\$ 64,781	\$ 76,692	(192,026)	\$ (268,718)	(106,971)
FUND BALANCE, MAY 1			1,263,249		1,370,220
FUND BALANCE, APRIL 30			\$ 1,071,223		\$ 1,263,249

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2009

A. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Capital Projects, Enterprise and Police Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

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, 2009.

Fund	Original and Final Budget	Expenditures
Fine Arts	\$ 1,800	\$ 24,301
Portico Court	-	1,822
Commuter Parking Lot	90,300	106,159

VILLAGE OF PALOS PARK, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2009

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued 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)
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%
2008	1,861,482	3,008,367	61.88%	1,146,885	1,414,001	81.11%

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

April 30, 2009

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, 2009

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2008	122,594	122,594	100.00%

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2009

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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, 2009
(With Comparative Actual)

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 801,238	\$ 816,091
Investments	224,932	389,740
Receivables		
Property taxes	614,973	567,263
State sales tax	156,540	171,176
Other intergovernmental	196,877	122,882
Accounts, net of allowance for uncollectible receivables	144,444	211,972
Due from component unit	-	582
Prepaid items	53,247	81,614
	\$ 2,192,251	\$ 2,361,320
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 396,140	\$ 405,567
Deposits payable	5,149	4,140
Wages payable	104,766	92,502
Due to other governments	-	6,608
Due to fiduciary fund	-	21,991
Deferred revenue	614,973	567,263
	1,121,028	1,098,071
FUND BALANCE		
Reserved for prepaid items	53,247	81,614
Unreserved		
Undesignated	1,017,976	1,181,635
	1,071,223	1,263,249
	\$ 2,192,251	\$ 2,361,320

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2009
(with comparative actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
EXPENDITURES				
Current				
General government				
Administration				
Wages	\$ 262,523	\$ 243,085	\$ (19,438)	\$ 258,098
Benefits	84,626	58,562	(26,064)	103,079
Insurance	13,230	12,364	(866)	9,725
Legal fees	57,878	48,144	(9,734)	48,328
Consultants, engineers and planners	44,200	47,953	3,753	23,082
Other contractual services	57,375	49,439	(7,936)	52,073
Commodities	68,540	67,818	(722)	53,413
Total administration	588,372	527,365	(61,007)	547,798
Public affairs				
Insurance	1,103	997	(106)	838
Legal fees	1,000	-	(1,000)	2,533
Consultants, engineers and planners	5,559	5,559	-	1,102
Other contractual services	28,141	27,955	(186)	29,144
Commodities	6,500	5,907	(593)	4,860
Total public affairs	42,303	40,418	(1,885)	38,477
Finance				
Wages	163,948	137,023	(26,925)	155,792
Benefits	55,332	36,539	(18,793)	55,411
Insurance	4,410	4,189	(221)	3,521
Legal fees	15,500	7,010	(8,490)	24,809
Other contractual services	54,900	51,277	(3,623)	39,635
Commodities	5,400	3,349	(2,051)	3,857
Total finance	299,490	239,387	(60,103)	283,025
Other				
Legal fees	500	666	166	-
Other contractual services	3,000	4,254	1,254	2,826
Total other	3,500	4,920	1,420	2,826
Total general government	933,665	812,090	(121,575)	872,126
Less administrative charges	(100,000)	(100,000)	-	(70,000)
Net general government	833,665	712,090	(121,575)	802,126

(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, 2009
(with comparative actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
EXPENDITURES (Continued)				
Current (Continued)				
Public safety				
Wages	\$ 1,074,742	\$ 1,098,748	\$ 24,006	\$ 983,293
Benefits	445,973	409,053	(36,920)	475,105
Insurance	35,280	36,906	1,626	40,936
Legal fees	15,000	20,324	5,324	27,398
Other contractual services	135,768	159,990	24,222	162,011
Commodities	151,325	145,021	(6,304)	176,071
Total public safety	1,858,088	1,870,042	11,954	1,864,814
Public works				
Wages	228,291	205,452	(22,839)	163,129
Benefits	112,060	98,876	(13,184)	74,381
Insurance	8,500	8,009	(491)	7,355
Legal fees	5,000	14,588	9,588	14,356
Consultants, engineers and planners	22,000	7,422	(14,578)	63,800
Other contractual services	101,550	77,278	(24,272)	78,953
Commodities	64,450	47,383	(17,067)	47,384
Total public works	541,851	459,008	(82,843)	449,358
Building and public grounds				
Building				
Wages	206,705	207,648	943	169,454
Benefits	87,014	75,166	(11,848)	78,742
Insurance	6,615	6,484	(131)	5,574
Legal fees	30,000	20,215	(9,785)	43,168
Consultants, engineers and planners	92,500	71,123	(21,377)	100,977
Other contractual services	29,800	19,454	(10,346)	18,162
Commodities	8,300	7,500	(800)	8,290
Total building	460,934	407,590	(53,344)	424,367
Public grounds				
Insurance	3,859	3,690	(169)	3,102
Legal fees	500	1,000	500	-
Consultants, engineers and planners	2,000	1,947	(53)	1,562
Other contractual services	89,300	88,221	(1,079)	85,220
Commodities	12,500	11,080	(1,420)	14,405
Total public grounds	108,159	105,938	(2,221)	104,289
Total building and public grounds	569,093	513,528	(55,565)	528,656

(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, 2009
(with comparative actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
EXPENDITURES (Continued)				
Current (Continued)				
Culture and recreation				
Recreation				
Wages	\$ 129,765	\$ 129,022	\$ (743)	\$ 119,402
Benefits	32,669	34,192	1,523	31,347
Insurance	9,323	9,276	(47)	7,797
Legal fees	115	115	-	27
Consultants, engineers and planners	830	77	(753)	198
Other contractual services	78,497	75,650	(2,847)	80,264
Commodities	38,155	36,882	(1,273)	37,089
Total recreation	289,354	285,214	(4,140)	276,124
Festivals				
Advertising	-	(142)	(142)	142
Supplies and prizes	-	-	-	83
Equipment	-	(248)	(248)	248
Other contractual services	-	-	-	175
Total festivals	-	(390)	(390)	648
Total culture and recreation	289,354	284,824	(4,530)	276,772
Solid waste				
Other contractual services	263,403	252,592	(10,811)	245,040
Total solid waste	263,403	252,592	(10,811)	245,040
Capital outlay				
Administration	1,700	1,484	(216)	2,168
Police	14,700	1,978	(12,722)	64,858
Public works	16,010	46,146	30,136	27,096
Other	14,100	4,659	(9,441)	20,316
Total capital outlay	46,510	54,267	7,757	114,438
Debt service				
Principal retirement				
Administration	209,596	212,256	2,660	243,506
Interest charges and fees				
Administration	86,472	84,049	(2,423)	123,135
Total debt service	296,068	296,305	237	366,641
TOTAL EXPENDITURES	\$ 4,698,032	\$ 4,442,656	\$ (255,376)	\$ 4,647,845

(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, 2009

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and investments	\$ 336,553	\$ 380,825	\$ 717,378
Receivables			
Sales tax	-	36,384	36,384
Motor fuel tax allotments	9,364	-	9,364
TOTAL ASSETS	\$ 345,917	\$ 417,209	\$ 763,126
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,970	\$ 3,361	\$ 5,331
Deferred revenue	65,407	-	65,407
Total liabilities	67,377	3,361	70,738
FUND BALANCES			
Reserved for public safety	9,870	-	9,870
Reserved for public works	72,644	-	72,644
Reserved for culture and recreation	45,305	-	45,305
Unreserved			
Special Revenue	150,721	-	150,721
Capital Projects	-	413,848	413,848
Total fund balances	278,540	413,848	692,388
TOTAL LIABILITIES AND FUND BALANCES	\$ 345,917	\$ 417,209	\$ 763,126

(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, 2009

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	\$ -	\$ 168,787	\$ 168,787
Intergovernmental	122,361	-	122,361
Charges for services	51,694	-	51,694
Fines and forfeits	25,614	-	25,614
Investment income	3,243	6,144	9,387
Miscellaneous	5,000	-	5,000
Total revenues	207,912	174,931	382,843
EXPENDITURES			
Current			
Public safety	3,577	-	3,577
Public works	94,417	-	94,417
Building and public grounds	-	265,843	265,843
Culture and recreation	24,301	-	24,301
Debt service			
Principal	70,000	-	70,000
Interest	22,644	-	22,644
Capital outlay	66,021	-	66,021
Total expenditures	280,960	265,843	546,803
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(73,048)	(90,912)	(163,960)
OTHER FINANCING SOURCES (USES)			
Transfers in	78,372	40,000	118,372
Transfers (out)	(21,200)	-	(21,200)
Proceeds from sale of assets	35,000	-	35,000
Total other financing sources (uses)	92,172	40,000	132,172
NET CHANGE IN FUND BALANCES	19,124	(50,912)	(31,788)
FUND BALANCES, MAY 1	259,416	464,760	724,176
FUND BALANCES, APRIL 30	\$ 278,540	\$ 413,848	\$ 692,388

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2009

	Motor Fuel Tax	Police Forfeiture	Business District Development
ASSETS			
Cash and investments	\$ 65,250	\$ 75,277	\$ 1,972
Motor fuel tax allotments receivable	9,364	-	-
TOTAL ASSETS	\$ 74,614	\$ 75,277	\$ 1,972
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,970	\$ -	\$ -
Deferred revenue	-	65,407	-
Total liabilities	1,970	65,407	-
FUND BALANCES			
Reserved for public safety	-	9,870	-
Reserved for public works	72,644	-	-
Reserved for culture and recreation	-	-	-
Unreserved			
Undesignated	-	-	1,972
Total fund balances	72,644	9,870	1,972
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,614	\$ 75,277	\$ 1,972

Exaction Fee	Fine Arts	Portico Court	Land Acquisition and Recreation	Total
\$ 105,165	\$ 45,305	\$ -	\$ 43,584	\$ 336,553
-	-	-	-	9,364
\$ 105,165	\$ 45,305	\$ -	\$ 43,584	\$ 345,917
\$ -	\$ -	\$ -	\$ -	\$ 1,970
-	-	-	-	65,407
-	-	-	-	67,377
-	-	-	-	9,870
-	-	-	-	72,644
-	45,305	-	-	45,305
105,165	-	-	43,584	150,721
105,165	45,305	-	43,584	278,540
\$ 105,165	\$ 45,305	\$ -	\$ 43,584	\$ 345,917

(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, 2009

	Motor Fuel Tax	Police Forfeiture	Business District Development
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 122,361	\$ -	\$ -
Charges for services			
Exaction fees	-	-	-
Event fees	-	-	-
Fines and forfeits	-	25,614	-
Investment income	754	292	236
Miscellaneous income			
Donations	-	5,000	-
Total revenues	123,115	30,906	236
EXPENDITURES			
Current			
Public safety	-	3,577	-
Public works	94,417	-	-
Culture and recreation	-	-	-
Debt service			
Principal	-	-	50,000
Interest	-	-	-
Capital outlay	22,773	29,307	-
Total expenditures	117,190	32,884	50,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,925	(1,978)	(49,764)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	13,872	57,000
Transfers (out)	-	(13,700)	-
Proceeds from sale of assets	-	-	-
Total other financing sources (uses)	-	172	57,000
NET CHANGE IN FUND BALANCES	5,925	(1,806)	7,236
FUND BALANCES (DEFICIT), MAY 1	66,719	11,676	(5,264)
FUND BALANCES, APRIL 30	\$ 72,644	\$ 9,870	\$ 1,972

Exaction Fee	Fine Arts	Portico Court	Land Acquisition and Recreation	Total
\$ -	\$ -	\$ -	\$ -	\$ 122,361
24,757	-	-	-	24,757
-	26,937	-	-	26,937
-	-	-	-	25,614
1,617	16	4	324	3,243
-	-	-	-	5,000
26,374	26,953	4	324	207,912
-	-	-	-	3,577
-	-	-	-	94,417
-	24,301	-	-	24,301
-	-	-	20,000	70,000
-	-	-	22,644	22,644
12,119	-	1,822	-	66,021
12,119	24,301	1,822	42,644	280,960
14,255	2,652	(1,818)	(42,320)	(73,048)
-	-	-	7,500	78,372
(7,500)	-	-	-	(21,200)
-	-	-	35,000	35,000
(7,500)	-	-	42,500	92,172
6,755	2,652	(1,818)	180	19,124
98,410	42,653	1,818	43,404	259,416
\$ 105,165	\$ 45,305	\$ -	\$ 43,584	\$ 278,540

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
MOTOR FUEL TAX FUND

April 30, 2009
(With Comparative Actual)

	2009	2008
ASSETS		
Cash and investments	\$ 65,250	\$ 48,612
Motor fuel tax allotments receivable	9,364	10,497
Due from other funds	-	9,949
	<hr/>	<hr/>
TOTAL ASSETS	\$ 74,614	\$ 69,058
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 1,970	\$ 1,556
Wages payable	-	783
	<hr/>	<hr/>
Total liabilities	1,970	2,339
FUND BALANCE		
Reserved for public works	72,644	66,719
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 74,614	\$ 69,058
	<hr/> <hr/>	<hr/> <hr/>

(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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
REVENUES				
Motor fuel taxes	\$ 130,120	\$ 122,361	\$ (7,759)	\$ 130,906
Investment income	3,800	754	(3,046)	3,690
Total revenues	133,920	123,115	(10,805)	134,596
EXPENDITURES				
Current				
Public works				
Personnel	61,066	69,363	8,297	783
Supplies	75,000	25,054	(49,946)	73,942
Capital outlay	-	22,773	22,773	96,496
Total expenditures	136,066	117,190	(18,876)	171,221
NET CHANGE IN FUND BALANCE	<u>\$ (2,146)</u>	5,925	<u>\$ 8,071</u>	(36,625)
FUND BALANCE, MAY 1		<u>66,719</u>		<u>103,344</u>
FUND BALANCE, APRIL 30		<u>\$ 72,644</u>		<u>\$ 66,719</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
POLICE FORFEITURE FUND

April 30, 2009
(With Comparative Actual)

	2009	2008
ASSETS		
Cash and investments	\$ 75,277	\$ 26,010
Prepaid items	-	2,400
TOTAL ASSETS	\$ 75,277	\$ 28,410
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ 595
Deferred revenue	65,407	16,139
Total liabilities	65,407	16,734
FUND BALANCE		
Reserved for prepaid items	-	2,400
Reserved for public safety	9,870	9,276
Total fund balance	9,870	11,676
TOTAL LIABILITIES AND FUND BALANCE	\$ 75,277	\$ 28,410

(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, 2009
(With Comparative Actual)

	2009			2008 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Fines and forfeits	\$ 100,000	\$ 25,614	\$ (74,386)	\$ 75,490
Investment income	-	292	292	409
Miscellaneous income Donations	-	5,000	5,000	-
Total revenues	100,000	30,906	(69,094)	75,899
EXPENDITURES				
Current				
Police				
Supplies	2,000	1,210	(790)	2,524
Contractual services	4,000	2,367	(1,633)	4,262
Capital outlay	28,000	29,307	1,307	2,755
Total expenditures	34,000	32,884	(1,116)	9,541
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	66,000	(1,978)	(67,978)	66,358
OTHER FINANCING SOURCES (USES)				
Transfers in	-	13,872	13,872	-
Transfers (out)	(13,700)	(13,700)	-	(66,358)
Total other financing sources (uses)	(13,700)	172	13,872	(66,358)
NET CHANGE IN FUND BALANCE	\$ 52,300	(1,806)	\$ (54,106)	-
FUND BALANCE, MAY 1		11,676		11,676
FUND BALANCE, APRIL 30	\$	9,870	\$	11,676

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
BUSINESS DISTRICT DEVELOPMENT FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 1,972	\$ 13,416
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ 18,680
FUND BALANCE		
Unreserved (deficit)	<u>1,972</u>	<u>(5,264)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,972</u>	<u>\$ 13,416</u>

(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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
REVENUES				
Investment income	\$ 576	\$ 236	\$ (340)	\$ 604
EXPENDITURES				
Current				
General government				
Contractual				
Miscellaneous contractual services	7,000	-	(7,000)	6,180
Debt service				
Principal	50,000	50,000	-	50,000
Total expenditures	57,000	50,000	(7,000)	56,180
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,424)	(49,764)	6,660	(55,576)
OTHER FINANCING SOURCES (USES)				
Transfers in	57,000	57,000	-	56,000
NET CHANGE IN FUND BALANCE	\$ 576	7,236	\$ 6,660	424
FUND BALANCE (DEFICIT), MAY 1		(5,264)		(5,688)
FUND BALANCE (DEFICIT), APRIL 30		\$ 1,972		\$ (5,264)

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
EXACTION FEE FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 105,165	\$ 98,410
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>105,165</u>	<u>98,410</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 105,165</u>	<u>\$ 98,410</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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
REVENUES				
Charges for services				
Exaction fees	\$ 45,388	\$ 24,757	\$ (20,631)	\$ 28,883
Investment income	5,000	1,617	(3,383)	5,144
Total revenues	<u>50,388</u>	<u>26,374</u>	<u>(24,014)</u>	<u>34,027</u>
EXPENDITURES				
Capital outlay	<u>18,000</u>	<u>12,119</u>	<u>(5,881)</u>	<u>26,000</u>
Total expenditures	<u>18,000</u>	<u>12,119</u>	<u>(5,881)</u>	<u>26,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	32,388	14,255	(18,133)	8,027
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(38,928)</u>	<u>(7,500)</u>	<u>31,428</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,540)</u>	<u>6,755</u>	<u>\$ 13,295</u>	<u>8,027</u>
FUND BALANCE, MAY 1		<u>98,410</u>		<u>90,383</u>
FUND BALANCE, APRIL 30		<u>\$ 105,165</u>		<u>\$ 98,410</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
FINE ARTS FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 45,305	\$ 42,653
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Reserved for culture and recreation	45,305	42,653
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 45,305</u>	<u>\$ 42,653</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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
REVENUES				
Intergovernmental				
Grant income	\$ 1,800	\$ -	\$ (1,800)	\$ 1,800
Charges for services				
Event fees	-	26,937	26,937	34,336
Investment income	25	16	(9)	29
Miscellaneous				
Donations	-	-	-	300
Total revenues	1,825	26,953	25,128	36,465
EXPENDITURES				
Current				
Culture and recreation				
Contractual services	1,800	24,301	22,501	27,934
NET CHANGE IN FUND BALANCE	<u>\$ 25</u>	2,652	<u>\$ 2,627</u>	8,531
FUND BALANCE, MAY 1		<u>42,653</u>		<u>34,122</u>
FUND BALANCE, APRIL 30		<u>\$ 45,305</u>		<u>\$ 42,653</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
PORTICO COURT FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ -	\$ 1,818
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	-	1,818
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 1,818</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, 2009
(With Comparative Actual)

	2009			2008 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Investment income	\$ -	\$ 4	\$ 4	\$ 15
Total revenues	-	4	4	15
EXPENDITURES				
Capital outlay				
Contractual services	-	1,822	1,822	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(1,818)</u>	<u>\$ (1,818)</u>	15
FUND BALANCE, MAY 1		<u>1,818</u>		<u>1,803</u>
FUND BALANCE, APRIL 30		<u>\$ -</u>		<u>\$ 1,818</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
LAND ACQUISITION AND RECREATION FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 43,584	\$ 43,404
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>43,584</u>	<u>43,404</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 43,584</u>	<u>\$ 43,404</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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Final Budget	Actual		
REVENUES				
Investment income	\$ -	\$ 324	\$ 324	\$ 931
Total revenues	-	324	324	931
EXPENDITURES				
Debt service				
Principal	20,000	20,000	-	-
Interest and fiscal charges	22,644	22,644	-	-
Total expenditures	42,644	42,644	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,644)	(42,320)	324	931
OTHER FINANCING SOURCES (USES)				
Transfers in	38,928	7,500	(31,428)	-
Proceeds from sale of assets	-	35,000	35,000	-
Total other financing sources (uses)	38,928	42,500	3,572	-
NET CHANGE IN FUND BALANCE	\$ (3,716)	180	\$ 3,896	931
FUND BALANCE, MAY 1		43,404		42,473
FUND BALANCE, APRIL 30		\$ 43,584		\$ 43,404

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

April 30, 2009

	Capital Improvements	1/2% Sales Tax	Total
ASSETS			
Cash and investments	\$ 251,382	\$ 129,443	\$ 380,825
Receivables			
Sales tax	-	36,384	36,384
TOTAL ASSETS	\$ 251,382	\$ 165,827	\$ 417,209
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 3,361	\$ 3,361
FUND BALANCES			
Unreserved			
Undesignated	251,382	162,466	413,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 251,382	\$ 165,827	\$ 417,209

(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, 2009

	Capital Improvements	1/2% Sales Tax	Total
REVENUES			
Taxes	\$ -	\$ 168,787	\$ 168,787
Investment income	3,005	3,139	6,144
Total revenues	3,005	171,926	174,931
EXPENDITURES			
Current			
Building and public grounds	-	265,843	265,843
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,005	(93,917)	(90,912)
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	-	40,000
NET CHANGE IN FUND BALANCES	43,005	(93,917)	(50,912)
FUND BALANCES, MAY 1	208,377	256,383	464,760
FUND BALANCES, APRIL 30	\$ 251,382	\$ 162,466	\$ 413,848

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
CAPITAL IMPROVEMENTS FUND

April 30, 2009
(With Comparative Actual)

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 251,382	\$ 208,377
TOTAL ASSETS	<u>\$ 251,382</u>	<u>\$ 208,377</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
None	\$ -	\$ -
FUND BALANCE		
Unreserved	<u>251,382</u>	<u>208,377</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 251,382</u>	<u>\$ 208,377</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, 2009
(With Comparative Actual)

	2009			2008 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Investment income	\$ 9,000	\$ 3,005	\$ (5,995)	\$ 9,477
Total revenues	9,000	3,005	(5,995)	9,477
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,000	3,005	(5,995)	9,477
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 49,000</u>	43,005	<u>\$ (5,995)</u>	9,477
FUND BALANCE, MAY 1		<u>208,377</u>		<u>198,900</u>
FUND BALANCE, APRIL 30		<u>\$ 251,382</u>		<u>\$ 208,377</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

BALANCE SHEET
1/2% SALES TAX FUND

April 30, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and investments	\$ 129,443	\$ 212,874
Receivables		
Sales tax	<u>36,384</u>	<u>43,509</u>
 TOTAL ASSETS	 <u>\$ 165,827</u>	 <u>\$ 256,383</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 3,361	\$ -
FUND BALANCES		
Unreserved		
Undesignated	<u>162,466</u>	<u>256,383</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 165,827</u>	 <u>\$ 256,383</u>

(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, 2009

	2009			2008 Actual
	Final Budget	Actual	Variance Over (Under)	
REVENUES				
Taxes				
Sales tax	\$ 205,000	\$ 168,787	\$ (36,213)	\$ 192,637
Intergovernmental	15,600	-	(15,600)	-
Investment income	6,000	3,139	(2,861)	8,469
Total revenues	<u>226,600</u>	<u>171,926</u>	<u>(54,674)</u>	<u>201,106</u>
EXPENDITURES				
Current				
Building and public grounds				
Contractual services	25,000	11,151	(13,849)	10,889
Capital outlay	285,200	254,692	(30,508)	122,040
Total expenditures	<u>310,200</u>	<u>265,843</u>	<u>(44,357)</u>	<u>132,929</u>
NET CHANGE IN FUND BALANCE	<u>\$ (83,600)</u>	<u>(93,917)</u>	<u>\$ (10,317)</u>	<u>68,177</u>
FUND BALANCE, MAY 1		<u>256,383</u>		<u>188,206</u>
FUND BALANCE, APRIL 30		<u>\$ 162,466</u>		<u>\$ 256,383</u>

(See independent auditor's report.)

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS
WATER FUND

April 30, 2009
(With Comparative Actual)

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 969,027	\$ 903,601
Investments	96,400	167,031
Accounts receivable, net of allowance for uncollectible accounts	147,766	117,514
Prepaid expenses	6,047	9,819
Total current assets	1,219,240	1,197,965
CAPITAL ASSETS		
Capital assets, not being depreciated	20,000	20,000
Capital assets, being depreciated, cost	16,330,171	16,321,922
Less accumulated depreciation	(4,978,369)	(4,563,159)
Net capital assets	11,371,802	11,778,763
Total assets	12,591,042	12,976,728
CURRENT LIABILITIES		
Accounts payable	36,357	33,237
Wages payable	13,725	10,572
Accrued interest	4,883	5,229
Compensated absences payable	3,263	2,207
General obligation bonds payable	24,400	24,400
Special assessment bond payable	37,710	37,710
Total current liabilities	120,338	113,355
LONG-TERM LIABILITIES		
Compensated absences payable	18,490	12,508
General obligation bonds payable	294,656	316,656
Special assessment bond payable	320,912	358,622
Total long-term liabilities	634,058	687,786
Total liabilities	754,396	801,141
NET ASSETS		
Invested in capital assets, net of related debt	10,694,124	11,041,375
Unrestricted	1,142,522	1,134,212
TOTAL NET ASSETS	\$ 11,836,646	\$ 12,175,587

(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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 1,015,607	\$ 1,020,790	\$ 5,183	\$ 871,674
Sale of water meters	7,875	8,436	561	10,180
Other income	22,375	29,184	6,809	22,380
Total operating revenues	1,045,857	1,058,410	12,553	904,234
OPERATING EXPENSES				
Personnel	195,408	200,651	5,243	279,580
Commodities	32,900	20,332	(12,568)	18,578
Water purchases	370,219	330,253	(39,966)	290,493
Services	568,602	450,541	(118,061)	279,704
Capital outlay	48,000	37,744	(10,256)	41,552
Total operating expenses	1,215,129	1,039,521	(175,608)	909,907
OPERATING INCOME (LOSS)	(169,272)	18,889	188,161	(5,673)
NONOPERATING REVENUES (EXPENSES)				
Investment income	13,600	20,560	6,960	52,763
Rental income	28,745	28,745	-	33,946
Tap-on fees	84,000	27,682	(56,318)	75,238
Contribution revenue	-	-	-	957,505
Sale of fixed assets	-	558	558	-
Debt principal payment	(62,110)	(59,710)	2,400	(70,833)
Interest expense	(31,346)	(28,414)	2,932	(36,137)
Total nonoperating revenues (expenses)	32,889	(10,579)	(43,468)	1,012,482
NET INCOME BUDGETARY BASIS	\$ (136,383)	8,310	\$ 144,693	1,006,809

(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, 2009
(With Comparative Actual)

	<u>2009 Actual</u>	<u>2008 Actual</u>
ADJUSTMENTS TO GAAP BASIS		
Debt principal payment	\$ 59,710	\$ 70,833
Capitalized assets	8,249	-
Depreciation	<u>(415,210)</u>	<u>(413,561)</u>
Total adjustments to GAAP basis	<u>(347,251)</u>	<u>(342,728)</u>
NET INCOME (LOSS) - GAAP BASIS	(338,941)	664,081
NET ASSETS, MAY 1	<u>12,175,587</u>	<u>11,511,506</u>
NET ASSETS, APRIL 30	<u><u>\$ 11,836,646</u></u>	<u><u>\$ 12,175,587</u></u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

STATEMENT OF NET ASSETS
SEWER MAINTENANCE FUND

April 30, 2009
(With Comparative Actual)

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 453,473	\$ 631,419
Accounts receivable, net of allowance for uncollectible accounts	38,923	29,070
Prepaid expenses	5,362	7,498
Total current assets	<u>497,758</u>	<u>667,987</u>
CAPITAL ASSETS		
Capital assets, being depreciated, cost	16,837,753	16,787,784
Less accumulated depreciation	<u>(5,244,566)</u>	<u>(4,814,101)</u>
Net capital assets	<u>11,593,187</u>	<u>11,973,683</u>
Total assets	<u>12,090,945</u>	<u>12,641,670</u>
CURRENT LIABILITIES		
Accounts payable	8,688	10,673
Accrued interest	6,249	6,590
Wages payable	4,061	5,181
Compensated absences payable	1,917	960
General obligation bonds payable	<u>30,600</u>	<u>30,600</u>
Total current liabilities	<u>51,515</u>	<u>54,004</u>
LONG-TERM LIABILITIES		
Compensated absences payable	10,865	5,438
General obligation bonds payable	<u>365,344</u>	<u>398,344</u>
Total long-term liabilities	<u>376,209</u>	<u>403,782</u>
Total liabilities	<u>427,724</u>	<u>457,786</u>
NET ASSETS		
Invested in capital assets, net of related debt	11,197,243	11,544,739
Unrestricted	<u>465,978</u>	<u>639,145</u>
TOTAL NET ASSETS	<u>\$ 11,663,221</u>	<u>\$ 12,183,884</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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 281,601	\$ 238,732	\$ (42,869)	\$ 172,091
Other income	1,700	2,339	639	3,260
Total operating revenues	283,301	241,071	(42,230)	175,351
OPERATING EXPENSES				
Personnel	223,539	188,754	(34,785)	126,521
Commodities	61,300	28,121	(33,179)	8,370
Services	146,400	159,721	13,321	95,826
Capital outlay	192,500	77,009	(115,491)	56,108
Total operating expenses	623,739	453,605	(170,134)	286,825
OPERATING INCOME (LOSS)	(340,438)	(212,534)	127,904	(111,474)
NONOPERATING REVENUES (EXPENSES)				
Investment income	8,000	8,481	481	31,716
Tap-on fees	84,000	75,287	(8,713)	43,446
Contribution revenue	-	-	-	1,273,692
Sale of capital assets	-	3,956	3,956	-
Debt principal payment	(30,600)	(33,000)	(2,400)	(30,600)
Interest expense	(15,699)	(15,357)	342	(16,183)
Total nonoperating revenues (expenses)	45,701	39,367	(6,334)	1,302,071
NET INCOME (LOSS) BEFORE TRANSFERS	(294,737)	(173,167)	121,570	1,190,597
TRANSFERS IN	8,000	-	(8,000)	-
NET INCOME (LOSS) - BUDGETARY BASIS	\$ (286,737)	(173,167)	\$ 113,570	1,190,597

(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, 2009
(With Comparative Actual)

	<u>2009 Actual</u>	<u>2008 Actual</u>
ADJUSTMENTS TO GAAP BASIS		
Debt principal payment	\$ 33,000	\$ 30,600
Capitalized assets	49,969	50,308
Depreciation	<u>(430,465)</u>	<u>(422,854)</u>
Total adjustments to GAAP basis	<u>(347,496)</u>	<u>(341,946)</u>
NET INCOME (LOSS) - GAAP BASIS	(520,663)	848,651
NET ASSETS, MAY 1	<u>12,183,884</u>	<u>11,335,233</u>
NET ASSETS, APRIL 30	<u><u>\$ 11,663,221</u></u>	<u><u>\$ 12,183,884</u></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, 2009
(With Comparative Actual)

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,199	\$ 31,909
Prepaid expenses	977	1,007
	<hr/>	
Total assets	9,176	32,916
	<hr/>	
LIABILITIES		
Accounts payable	1,583	2,466
Due to other funds	-	9,949
	<hr/>	
Total liabilities	1,583	12,415
	<hr/>	
NET ASSETS		
Unrestricted	\$ 7,593	\$ 20,501
	<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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Budget	Actual		
OPERATING REVENUES				
Charges for services	\$ 92,000	\$ 92,038	\$ 38	\$ 92,739
Rental income	3,000	-	(3,000)	-
Total operating revenues	95,000	92,038	(2,962)	92,739
OPERATING EXPENSES				
Commodities	4,000	1,533	(2,467)	5,135
Services	86,300	104,626	18,326	67,062
Total operating expenses	90,300	106,159	15,859	72,197
OPERATING INCOME (LOSS)	4,700	(14,121)	(18,821)	20,542
NONOPERATING REVENUES (EXPENSES)				
Investment income	2,500	1,213	(1,287)	3,040
Total nonoperating revenues (expenses)	2,500	1,213	(1,287)	3,040
CHANGE IN NET ASSETS	<u>\$ 7,200</u>	(12,908)	<u>\$ (20,108)</u>	23,582
NET ASSETS (DEFICIT), MAY 1		<u>20,501</u>		<u>(3,081)</u>
NET ASSETS, APRIL 30		<u>\$ 7,593</u>		<u>\$ 20,501</u>

(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, 2009
(With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Budget	Actual		
ADDITIONS				
Contributions				
Employer	\$ 195,000	\$ 189,366	\$ (5,634)	\$ 202,122
Employee	60,000	57,268	(2,732)	56,124
Total contributions	255,000	246,634	(8,366)	258,246
Investment income	40,000	24,885	(15,115)	57,392
Less investment expense	(2,500)	(4,802)	(2,302)	(2,910)
Net investment income	37,500	20,083	(17,417)	54,482
Total additions	292,500	266,717	(25,783)	312,728
DEDUCTIONS				
Benefits	110,000	54,241	55,759	52,661
Refunds of contributions	-	21,196	(21,196)	-
Administration	3,500	1,264	2,236	2,662
Total deductions	113,500	76,701	36,799	55,323
NET INCREASE	<u>\$ 179,000</u>	190,016	<u>\$ 11,016</u>	257,405
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
May 1		<u>951,601</u>		<u>694,196</u>
April 30		<u>\$ 1,141,617</u>		<u>\$ 951,601</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

COMBINING SCHEDULE OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2009

	Balances May 1	Additions	Deletions	Balances April 30
SPECIAL ASSESSMENT FUND #9				
ASSETS				
Cash and cash equivalents	\$ 119,438	\$ 2,068	\$ 269	\$ 121,237
LIABILITIES				
Due to bondholders	\$ 119,438	\$ 2,068	\$ 269	\$ 121,237
SPECIAL ASSESSMENT FUND #11				
ASSETS				
Cash and cash equivalents	\$ 90,585	\$ 1,352	\$ -	\$ 91,937
LIABILITIES				
Due to bondholders	\$ 90,585	\$ 1,352	\$ -	\$ 91,937
SPECIAL ASSESSMENT FUND #12				
ASSETS				
Cash and cash equivalents	\$ 179,577	\$ 2,729	\$ -	\$ 182,306
LIABILITIES				
Due to bondholders	\$ 179,577	\$ 2,729	\$ -	\$ 182,306
SPECIAL ASSESSMENT FUND #93-1				
ASSETS				
Cash and cash equivalents	\$ 539,709	\$ 9,344	\$ 1,039	\$ 548,014
LIABILITIES				
Due to bondholders	\$ 539,709	\$ 9,344	\$ 1,039	\$ 548,014
SPECIAL ASSESSMENT FUND #96-1A				
ASSETS				
Cash and cash equivalents	\$ 47,095	\$ 83,411	\$ 98,253	\$ 32,253
LIABILITIES				
Due to bondholders	\$ 47,095	\$ 83,411	\$ 98,253	\$ 32,253

(This statement is continued on the following page.)

VILLAGE OF PALOS PARK, ILLINOIS

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

For the Year Ended April 30, 2009

	Balances May 1	Additions	Deletions	Balances April 30
SPECIAL ASSESSMENT FUND #96-1B				
ASSETS				
Cash and cash equivalents	\$ 27,553	\$ 236,152	\$ 249,324	\$ 14,381
LIABILITIES				
Due to bondholders	\$ 27,553	\$ 236,152	\$ 249,324	\$ 14,381
SPECIAL ASSESSMENT FUND #13B				
ASSETS				
Cash and cash equivalents	\$ 873,514	\$ 242,388	\$ 248,651	\$ 867,251
LIABILITIES				
Due to bondholders	\$ 873,514	\$ 242,388	\$ 248,651	\$ 867,251
SPECIAL ASSESSMENT FUND #13A				
ASSETS				
Cash and cash equivalents	\$ 389,316	\$ 96,431	\$ 96,715	\$ 389,032
LIABILITIES				
Due to bondholders	\$ 389,316	\$ 96,431	\$ 96,715	\$ 389,032
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 2,266,787	\$ 673,875	\$ 694,251	\$ 2,246,411
LIABILITIES				
Due to bondholders	\$ 2,266,787	\$ 673,875	\$ 694,251	\$ 2,246,411

(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, 2009

	General Fund	Adjustments	Statement of Net Assets
ASSETS			
Cash and cash equivalents	\$ 686,030	\$ -	\$ 686,030
Receivables			
Property taxes, net of allowance for losses and costs	199,359	-	199,359
Grants	5,673	-	5,673
Capital assets, not being depreciated	-	10,700	10,700
Capital assets, being depreciated, net of accumulated depreciation	-	226,848	226,848
TOTAL ASSETS	\$ 891,062	\$ 237,548	\$ 1,128,610
LIABILITIES AND FUND BALANCES/NET ASSETS			
LIABILITIES			
Wages payable	\$ 9,921	\$ -	\$ 9,921
Compensated absences	-	4,375	4,375
Deferred revenue	199,359	-	199,359
Total liabilities	209,280	4,375	213,655
FUND BALANCES/NET ASSETS			
Investment in capital assets	-	237,548	237,548
Reserved for culture and recreation	681,782	(4,375)	677,407
Total fund balances/net assets	681,782	233,173	914,955
TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS	\$ 891,062	\$ 237,548	\$ 1,128,610

(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, 2009

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property taxes	\$ 331,226	\$ -	\$ 331,226
Personal property replacement taxes	5,670	-	5,670
Grants	5,673	-	5,673
Fees for service	15,871	-	15,871
Fines	3,445	-	3,445
Investment income	13,253	-	13,253
Other income	3,875	-	3,875
Total revenues	379,013	-	379,013
EXPENDITURES			
Current			
Culture and recreation			
Wages	183,174	(2,127)	181,047
Fringe benefits	39,155	-	39,155
Insurance	9,591	-	9,591
Contractual services	80,183	-	80,183
Commodities	58,914	-	58,914
Capital outlay	10,263	-	10,263
Depreciation	-	11,321	11,321
Total expenditures	381,280	9,194	390,474
NET CHANGE IN FUND BALANCE/ NET ASSETS	(2,267)	(9,194)	(11,461)
FUND BALANCE/NET ASSETS, MAY 1	684,049	242,367	926,416
FUND BALANCE/NET ASSETS, APRIL 30	\$ 681,782	\$ 233,173	\$ 914,955

(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, 2009
 (With Comparative Actual)

	2009		Variance Over (Under)	2008 Actual
	Budget	Actual		
REVENUES				
Property taxes	\$ 328,000	\$ 331,226	\$ 3,226	\$ 316,905
Personal property replacement taxes	5,000	5,670	670	6,193
Grants	6,000	5,673	(327)	5,677
Fees for service	13,800	15,871	2,071	12,661
Fines	4,000	3,445	(555)	3,017
Investment income	35,000	13,253	(21,747)	30,563
Other income	8,200	3,875	(4,325)	24,058
Total revenues	<u>400,000</u>	<u>379,013</u>	<u>(20,987)</u>	<u>399,074</u>
EXPENDITURES				
Current				
Culture and recreation				
Wages	182,000	183,174	1,174	181,207
Fringe benefits	39,500	39,155	(345)	36,707
Insurance	12,000	9,591	(2,409)	10,143
Contractual services	97,700	80,183	(17,517)	117,619
Commodities	62,200	58,914	(3,286)	60,101
Capital outlay	6,600	10,263	3,663	120
Total expenditures	<u>400,000</u>	<u>381,280</u>	<u>(18,720)</u>	<u>405,897</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(2,267)</u>	<u>\$ (2,267)</u>	<u>(6,823)</u>
FUND BALANCE, MAY 1		<u>684,049</u>		<u>690,872</u>
FUND BALANCE, APRIL 30		<u>\$ 681,782</u>		<u>\$ 684,049</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SERIES 2000 CERTIFICATES

April 30, 2009

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
TOTAL	<u>\$ 1,190,000</u>	<u>\$ 239,882</u>	<u>\$ 1,429,882</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SERIES 2002 CERTIFICATES

April 30, 2009

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
TOTAL	<u>\$ 180,000</u>	<u>\$ 41,177</u>	<u>\$ 221,177</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

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

April 30, 2009

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
TOTAL	<u>\$ 350,000</u>	<u>\$ 85,454</u>	<u>\$ 435,454</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

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

April 30, 2009

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
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
TOTAL	<u>\$ 365,000</u>	<u>\$ 87,730</u>	<u>\$ 452,730</u>

(See independent auditor's report.)

VILLAGE OF PALOS PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SERIES 2006 CERTIFICATES

April 30, 2009

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
TOTAL	\$ 535,000	\$ 227,884	\$ 762,884

(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.	102-107
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.	108-111
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.	112-116
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.	117-118
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.	119-121

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 Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES					
Invested in capital assets					
net of related debt	\$ 1,640,412	\$ 2,108,522	\$ 2,997,346	\$ 3,151,308	\$ 3,292,655
Restricted	150,159	142,385	150,945	122,866	127,819
Unrestricted	1,574,192	1,632,543	1,523,471	1,532,600	1,351,511
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,364,763	\$ 3,883,450	\$ 4,671,762	\$ 4,806,774	\$ 4,771,985
BUSINESS-TYPE ACTIVITIES					
Invested in capital assets					
net of related debt	\$ 21,907,584	\$ 20,981,990	\$ 21,036,524	\$ 21,036,524	\$ 21,891,367
Restricted	-	-	-	-	-
Unrestricted	1,041,517	1,546,673	1,807,134	1,807,134	1,616,093
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 22,949,101	\$ 22,528,663	\$ 22,843,658	\$ 22,843,658	\$ 23,507,460
PRIMARY GOVERNMENT					
Invested in capital assets					
net of related debt	\$ 23,547,996	\$ 23,090,512	\$ 24,033,870	\$ 24,187,832	\$ 25,184,022
Restricted	150,159	142,385	150,945	122,866	127,819
Unrestricted	2,615,709	3,179,216	3,330,605	3,339,734	2,967,604
TOTAL PRIMARY GOVERNMENT	\$ 26,313,864	\$ 26,412,113	\$ 27,515,420	\$ 27,650,432	\$ 28,279,445

Data Source

Audited Financial Statements

VILLAGE OF PALOS PARK, ILLINOIS

CHANGE IN NET ASSETS

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
EXPENSES					
Governmental activities					
General government	\$ 799,995	\$ 724,948	\$ 892,396	\$ 900,666	\$ 791,421
Public safety	1,495,343	1,687,093	1,643,589	1,946,030	1,926,213
Public works	334,492	379,832	550,148	676,962	530,728
Building and public grounds	622,563	749,496	642,185	681,183	790,866
Culture and recreation	261,654	333,239	314,641	312,111	331,727
Solid wastes	206,672	224,678	235,692	245,040	252,592
Interest	114,963	106,592	115,360	123,393	102,709
Total governmental activities expenses	3,835,682	4,205,878	4,394,011	4,885,385	4,726,256
Business-type activities					
Water	1,076,629	1,185,855	1,153,590	1,359,605	1,474,896
Sewer	558,567	625,027	573,225	675,554	849,458
Commuter parking	21,770	27,900	99,572	72,197	106,159
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	2,430,513
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 5,522,738	\$ 6,044,660	\$ 6,220,398	\$ 6,992,741	\$ 7,156,769
PROGRAM REVENUES					
Governmental activities					
Charges for services					
General government	\$ 162,258	\$ 203,115	\$ 288,273	\$ 269,615	\$ 311,656
Public safety	317,952	269,785	196,069	261,094	229,111
Public works	682	14,371	574	2,884	-
Building and public grounds	327,062	329,291	428,045	563,833	313,868
Culture and recreation	178,288	207,246	203,801	226,646	188,003
Solid waste	199,865	227,895	238,554	245,708	256,041
Operating grants and contributions	167,812	400,799	210,353	159,700	189,263
Capital grants and contributions	-	-	520,000	-	20,000
Total governmental activities program revenues	1,353,919	1,652,502	2,085,669	1,729,480	1,507,942
Business-type activities					
Charges for services					
Water	834,829	875,349	815,765	904,234	1,058,410
Sewer	120,412	159,059	163,623	175,351	241,071
Commuter parking	27,888	27,265	70,801	92,739	92,038
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	1,391,519
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 2,337,048	\$ 2,714,175	\$ 3,645,858	\$ 5,133,001	\$ 2,899,461

VILLAGE OF PALOS PARK, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
NET REVENUE (EXPENSE)					
Governmental activities	\$ (2,481,763)	\$ (2,553,376)	\$ (2,308,342)	\$ (3,155,905)	\$ (3,218,314)
Business-type activities	(703,927)	(777,109)	(266,198)	1,296,165	(1,038,994)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (3,185,690)	\$ (3,330,485)	\$ (2,574,540)	\$ (1,859,740)	\$ (4,257,308)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental activities					
Taxes					
Property	\$ 863,244	\$ 899,096	\$ 956,234	\$ 1,014,455	\$ 1,053,410
Sales	686,106	849,185	890,588	943,390	858,847
Income	317,444	358,296	395,205	431,732	427,237
Utility	569,752	654,620	558,092	603,983	620,803
Other	182,782	187,788	147,006	151,077	152,995
Investment income	29,452	48,715	90,893	65,619	30,646
Miscellaneous	42,970	62,566	59,050	80,661	39,587
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	3,183,525
Business-type activities					
Investment income	22,684	50,846	93,701	87,519	30,254
Miscellaneous	355,993	305,825	487,492	152,630	136,228
Total business-type activities	378,677	356,671	581,193	240,149	166,482
TOTAL PRIMARY GOVERNMENT	\$ 3,088,893	\$ 3,425,234	\$ 3,678,261	\$ 3,531,066	\$ 3,350,007
CHANGE IN NET ASSETS					
Governmental activities	\$ 228,453	\$ 515,187	\$ 788,726	\$ 135,012	\$ (34,789)
Business-type activities	(325,250)	(420,438)	314,995	1,536,314	(872,512)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (96,797)	\$ 94,749	\$ 1,103,721	\$ 1,671,326	\$ (907,301)

Data Source

Audited Financial Statements

VILLAGE OF PALOS PARK, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL FUND										
Reserved	\$ 14,055	\$ 19,875	\$ 16,644	\$ 79,703	\$ 56,087	\$ 65,256	\$ 39,324	\$ 40,754	\$ 81,614	\$ 53,247
Unreserved	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	1,017,976
TOTAL GENERAL FUND	\$ 832,609	\$ 849,343	\$ 1,046,675	\$ 1,333,055	\$ 1,438,512	\$ 1,386,660	\$ 1,365,609	\$ 1,370,220	\$ 1,263,249	\$ 1,071,223
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ -	\$ -	\$ -	\$ 163,510	\$ 307,717	\$ 145,325	\$ 142,385	\$ 150,945	\$ 122,866	\$ 127,819
Unreserved, reported in										
Special Revenue Funds	195,451	184,636	170,251	109,731	92,026	144,606	145,173	127,168	136,550	150,721
Capital Project Funds	432,438	583,268	(116,733)	(313,024)	51,442	201,989	297,920	387,106	464,760	413,848
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 627,889	\$ 767,904	\$ 53,518	\$ (39,783)	\$ 451,185	\$ 491,920	\$ 585,478	\$ 665,219	\$ 724,176	\$ 692,388

Data Source

Audited Financial Statements

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VILLAGE OF PALOS PARK, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$ 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	\$ 3,113,292
Licenses and permits	299,592	427,161	317,436	285,021	292,189	389,771	415,187	505,647	653,044	482,959
Intergovernmental	-	-	-	-	193,442	167,812	400,799	210,353	159,700	217,936
Charges for services	138,101	154,105	153,804	171,420	104,510	159,928	148,983	141,641	98,185	79,528
Fees by agreement	246,054	217,539	232,500	208,383	404,099	442,099	541,766	596,859	620,443	609,133
Fines and forfeitures	120,089	75,340	83,962	61,577	116,997	231,214	181,181	111,170	187,507	110,902
Grants	869,094	591,243	333,495	313,880	-	-	-	-	-	-
Investment income	112,985	152,457	39,203	19,449	10,421	29,450	48,721	90,893	65,619	30,646
Miscellaneous	339,880	783,810	600,206	289,600	403,751	73,197	68,798	59,050	91,261	47,071
Total revenues	4,314,122	4,738,303	4,103,659	3,791,643	3,869,607	4,057,130	4,712,768	4,662,737	5,020,397	4,691,467
EXPENDITURES										
Current										
General government (administration)	478,364	617,497	515,721	479,057	490,377	723,405	752,113	776,445	808,306	712,090
Public affairs	8,142	23,681	27,687	23,980	56,664	-	-	-	-	-
Public safety (police)	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	1,873,619
Health	-	-	-	-	-	-	-	-	-	-
Public works	688,587	746,261	477,751	294,204	319,494	346,111	409,751	403,892	524,083	553,425
Building	151,196	198,122	185,931	179,003	227,452	-	-	-	-	-
Building and public grounds	-	-	-	-	-	512,704	719,372	637,357	661,585	779,371
Culture and recreation	184,491	191,518	215,334	249,015	227,598	255,021	325,699	290,774	304,706	309,125
Public grounds	33,072	36,216	69,303	73,542	86,916	-	-	-	-	-
Finance	182,402	159,076	144,037	170,481	175,206	-	-	-	-	-
Solid waste	126,356	99,042	173,932	178,676	184,618	206,672	224,678	235,692	245,040	252,592
Other	300	-	1,779,365	-	1,380	-	-	-	-	-
Capital outlay	7,916,554	2,852,899	-	664,121	251,323	109,859	349,064	911,786	239,689	120,288
Debt service										
Principal retirement	177,103	223,598	151,579	119,384	91,278	36,000	252,000	271,192	293,506	282,256
Interest and other charges	15,041	11,861	138,774	99,394	109,156	107,602	107,006	115,774	123,135	106,693
Total expenditures	11,132,741	6,536,334	5,185,934	3,841,324	3,561,146	3,760,530	4,770,471	5,248,560	5,071,650	4,989,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,818,619)	(1,798,031)	(1,082,275)	(49,681)	308,461	296,600	(57,703)	(585,823)	(51,253)	(297,992)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 226,144	\$ 191,531	\$ 398,476	\$ 501,520	\$ 127,000	\$ 250,000	\$ 89,973	\$ 60,200	\$ 122,358	\$ 132,072
Proceeds from sale of fixed assets	4,680	-	6,716	2,250	-	-	17,281	16,576	3,239	42,862
Proceeds from loans	6,788,429	1,886,000	418,794	-	-	-	109,429	653,599	-	31,316
Capital lease additions	-	-	43,623	-	-	-	-	-	-	-
Transfers (out)	(297,911)	(122,751)	(302,388)	(424,520)	(50,000)	(250,000)	(89,973)	(60,200)	(122,358)	(132,072)
Total other financing sources (uses)	6,721,342	1,954,780	565,221	79,250	77,000	-	126,710	670,175	3,239	74,178
NET CHANGE IN FUND BALANCE	\$ (97,277)	\$ 156,749	\$ (517,054)	\$ 29,569	\$ 385,461	\$ 296,600	\$ 69,007	\$ 84,352	\$ (48,014)	\$ (223,814)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.97%	6.39%	5.60%	6.89%	6.06%	3.93%	8.12%	8.92%	8.40%	7.59%

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
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	199,888,492	36,902	23,222,193	10,316,359	101,672	233,565,618	0.4350	700,696,854	33.333%
2008	235,046,975	43,392	27,306,755	12,130,909	119,555	274,647,586	0.4020	823,942,758	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 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 ⁽¹⁾						
	General	Police Protection	Police Pension	IMRF	Total Direct Tax Rate	School Districts	Library	County	Fire Protection District	Township	S. Palos Sanitary District ⁽²⁾	MWRD
1999	\$ 0.4211	\$ 0.0554	\$ -	\$ 0.0941	\$ 0.5706	\$ 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	0.2968	0.0447	0.0584	0.0351	0.435	4.486	0.138	0.511	0.545	0.079	0.177	0.263
2008 ⁽³⁾	0.2784	0.0400	0.0521	0.0315	0.402	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.

⁽¹⁾ Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all village property owners; for example, although the county property tax rates apply to all village property owners, other rates (i.e. certain school districts) may apply to only certain property in the Village.

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

⁽³⁾ The overlapping rates for levy year 2008 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 2009			Fiscal Year 2000		
		Tax Levy Year 2007** Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Tax Levy Year 1998* Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
CNC/Jewel Food Store	Supermarket	\$ 8,990,049	1	3.85%	\$ 6,184,070	1	5.52%
Sunrise Senior Living	Senior Living Facility	6,036,331	2	2.58%	-	-	-
James Marth	Shopping Center (Mill Creek Center)	2,531,190	3	1.08%	-	-	-
Walgreens	One-Story Store	1,756,299	4	0.75%	-	-	-
Gas City Limited	Gasoline Station	1,355,414	5	0.58%	786,768	6	0.70%
Inter Cont'l 131st Palos Park	Shopping Center	1,123,591	6	0.48%	739,844	7	0.66%
Commonwealth Edison Co.	Electric Utility	1,115,491	7	0.48%	1,111,295	3	0.99%
Shell Oil Company	Gasoline Station	1,060,229	8	0.45%	730,001	9	0.65%
AT & T	Phone Utility	1,014,149	9	0.43%	811,631	5	0.72%
Hackney's on Lake	Restaurant	721,947	10	0.31%			
John T. Moya	Shopping Center	-	-	-	1,967,803	2	1.76%
Palos Country Club	Palos Country Club	-	-	-	998,297	4	0.89%
Alliance Shippers Inc.	Commercial Condo Units	-	-	-	737,041	8	0.66%
Alfredo Veltri	Shopping Center (Palos Park Plaza)	-	-	-	598,628	10	0.53%
		<u>\$ 25,704,690</u>		<u>10.99%</u>	<u>\$ 14,665,378</u>		<u>13.08%</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
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%
2007	1,015,072	1,014,183	99.91%

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			
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
2009	-	2,006,977	-	715,000	-	358,622	3,080,599	0.84%	657

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

* See the schedule of Demographic and Economic Information on page 117 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
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	0.12%	164
2009	715,000	0.10%	152

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 108 for property value data.

VILLAGE OF PALOS PARK, ILLINOIS

DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT

April 30, 2009

	2007 Equalized		Applicable to Village	
	Assessed Valuation ⁽¹⁾	Outstanding Bonds	Percent ⁽²⁾	Amount
Village of Palos Park	\$ 233,565,618	\$ 715,000 ⁽³⁾	100.000%	\$ 715,000
<u>Overlapping Districts:</u>				
Cook County	159,266,913,649	2,897,975,000	0.147%	4,260,023
Cook County Forest Preserve	159,266,913,649	115,105,000	0.147%	169,204
Metropolitan Water Reclamation District	155,972,794,427	1,379,237,302 ⁽⁴⁾	0.150%	2,068,856
South Palos Twp. Sanitary District	61,957,647	995,000	7.008%	69,730
<u>School Districts</u>				
Community Consolidated School District #118	887,438,469	7,300,000	26.315%	1,920,995
High School District #230	5,195,800,482	84,695,000	4.494%	3,806,193
Community College #524	11,319,414,709	82,845,000	2.066%	1,711,578
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT				\$ 14,721,579

⁽¹⁾ Most recent values available as of April 30, 2009.

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

⁽³⁾ Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds.

⁽⁴⁾ 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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Legal debt limit	\$ 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	\$ 22,796,927
Total net debt applicable to limit	4,626,657	7,530,015	7,797,404	7,137,342	-	450,000	875,000	825,000	770,000	715,000
Legal debt margin	\$ 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	\$ 22,081,927
Total net debt applicable to the limit as a percentage of debt limit	44%	72%	70%	50%	0%	3%	5%	4%	4%	3%

Legal Debt Margin Calculation for Fiscal 2009

Assessed Value	\$ 264,312,198
Legal debt margin	<u>8.625%</u>
Debt limit	22,796,927
Debt applicable to limit	
General obligation bonds	<u>715,000</u>
Legal debt margin	<u>\$ 22,081,927</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		
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	
2009	1,460,236	1,434,908	25,328	92,710	43,771	0.19	

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
2000	4,689	\$ 367,852,050	\$ 68,005	4.50%
2001	4,689	367,852,050	78,450	5.60%
2002	4,689	367,852,050	78,450	6.90%
2003	4,689	367,852,050	78,450	6.90%
2004	4,689	367,852,050	78,450	6.30%
2005	4,689	367,852,050	78,450	6.00%
2006	4,689	367,852,050	78,450	4.40%
2007	4,689	367,852,050	78,450	4.30%
2008	4,689	367,852,050	78,450	6.20%
2009	4,689	367,852,050	78,450	9.60%

Data Source

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

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

VILLAGE OF PALOS PARK, ILLINOIS

PRINCIPAL EMPLOYERS

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL GOVERNMENT										
Administration	3.5	3.5	4.5	4.5	5.5	5.5	5.0	5.3	5.3	5.3
Building and zoning	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.6	4.0	3.5
Finance	1.5	1.8	1.5	2.1	2.1	3.1	3.1	3.0	3.0	3.3
Police										
Officers FT	10.0	12.0	11.0	11.0	10.0	10.0	11.0	10.0	10.0	10.0
Officers PT	25.0	23.0	22.0	20.0	12.0	12.0	14.0	15.0	15.0	16.0
Civilians	2.3	3.0	3.3	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Public Works										
Water Department	2.3	2.3	2.3	2.3	2.8	2.3	2.3	3.9	4.3	4.6
Sewer Department	0.8	1.0	1.3	1.3	1.3	1.3	1.3	1.3	1.6	1.4
Street maintenance	3.3	3.3	2.3	2.3	2.5	2.3	2.3	3.1	4.4	5.0
Recreation	1.6	1.6	2.0	2.4	2.8	3.0	3.5	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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PUBLIC SAFETY										
Police(1)										
Physical arrests	295	206	133	239	431	361	333	251	285	242
Parking violations	776	1,415	1,559	1,257	694	808	994	1,346	1,757	1,573
Traffic violations	1,712	2,686	2,071	2,524	2,145	1,611	1,674	1,322	1,711	1,570
PUBLIC WORKS										
Streeting resurfacing (miles)	N/A	1.09	1.92	1.19	2.00	1.00	1.60	1.01	1.01	1.01
Pothole repairs	50-75	50-75	50-75	50-75	50-75	50-75	50-75	50-75	75-120	75-100
WATER										
New connections	42	204	145	31	25	25	42	41	27	7
Water main breaks	11	10	9	11	10	14	10	11	12	15
Average daily consumption(2)	401,000	471,000	478,000	465,000	483,000	538,000	472,000	389,884	427,827	489,000
Peak demand	784,000	887,000	901,000	935,000	910,000	963,000	980,000	1,015,000	987,000	837,000

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	6	7	7	7	7	8	8	7
PUBLIC WORKS										
Residential streets (miles)	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
WATER										
Water mains (miles)	40.94	49.99	49.99	49.99	50.31	50.58	50.58	50.58	50.58	51.08
Fire hydrants	541	685	697	700	716	716	722	726	726	730
Storage capacity (gallons)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
WASTEWATER										
Sanitary sewers (miles)	25.41	36.77	37.60	37.75	38.70	38.70	39.27	39.27	39.27	39.37
Storm sewers (miles)	5.34	6.92	6.92	7.06	7.18	7.29	7.48	7.67	7.67	7.67

Data Source

Appropriate Village Departmental Directors

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