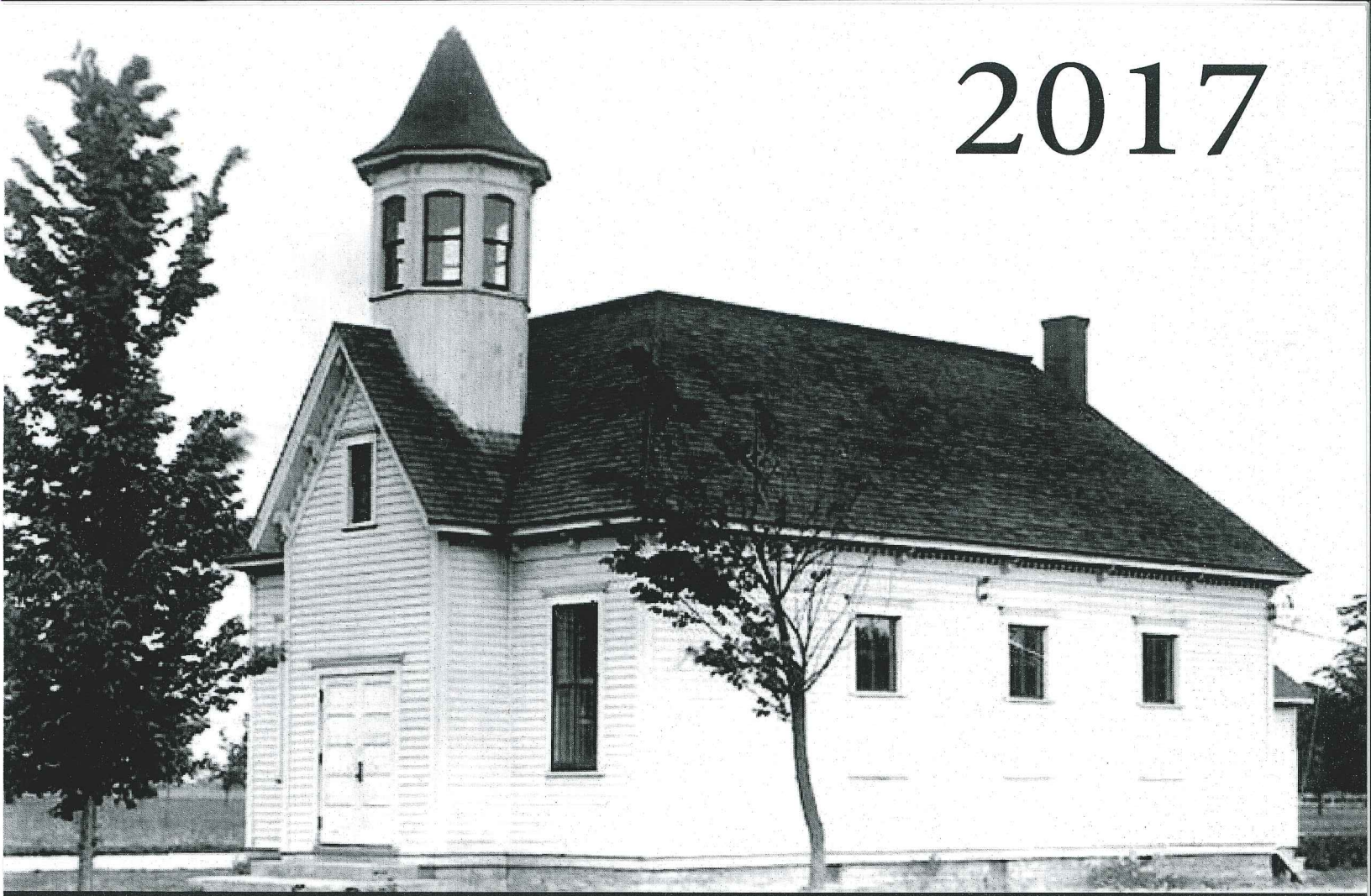


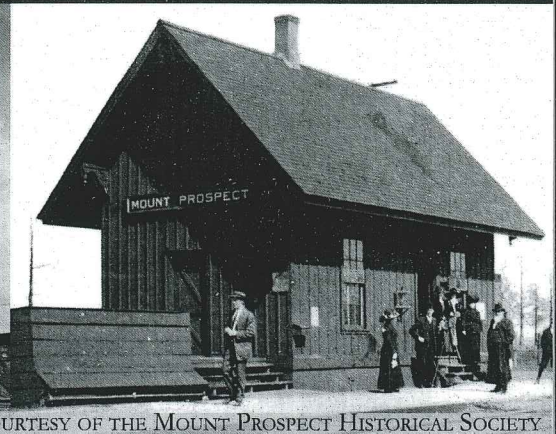
2017



VILLAGE OF MOUNT PROSPECT, ILLINOIS



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**



VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by: Finance Department

David O. Erb
Finance Director/Treasurer

Lynn M. Jarog
Deputy Finance Director

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials.....	i
Organizational Chart	ii
Letter of Transmittal.....	iii-vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
Management’s Discussion and Analysis	MD&A 1-11
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	8-9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	12

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	13-14
Statement of Revenues, Expenses, and Changes in Net Position.....	15
Statement of Cash Flows	16-17

Fiduciary Funds

Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19

Notes to Financial Statements	20-77
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	78
Refuse Disposal Fund.....	79
Schedule of Funding Progress	
Other Postemployment Benefits Plan	80
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	81
Police Pension Fund	82
Firefighters' Pension Fund	83
Other Postemployment Benefits Plan.....	84
Schedule of the Village's Proportionate Share of the Net Pension Liability	
Illinois Municipal Retirement Fund	85
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Police Pension Fund	86
Firefighters' Pension Fund.....	87

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information (Continued)

Schedule of Investment Returns	
Police Pension Fund	88
Firefighters' Pension Fund	89
Notes to Required Supplementary Information.....	90

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Schedule of Revenues - Budget and Actual.....	91-93
Schedule of Expenditures - Budget and Actual	94
Schedule of Detailed Expenditures - Budget and Actual	95-106
Special Revenue Fund	
Refuse Disposal Fund	
Schedule of Operating Revenues - Budget and Actual.....	107
Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
Nonmajor Special Revenue Funds	
Combining Balance Sheet	111-112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	113-114

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)**

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Special Revenue Funds (Continued)

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
Schedule of Expenditures - Budget and Actual	116

Community Development Block Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
Schedule of Expenditures - Budget and Actual	118

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual	
Asset Seizure Fund	119
Federal Equitable Share Fund	120
DUI Fines Fund	121
Foreign Fire Insurance Fund.....	122
Business District Fund.....	123
Prospect/Main TIF Fund.....	124

Nonmajor Capital Projects Funds

Combining Balance Sheet	125
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	126
Capital Improvement Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	127
Schedule of Expenditures - Budget and Actual	128

Nonmajor Capital Projects Funds

Flood Control Construction Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	129
Schedule of Expenditures - Budget and Actual	130
Street Improvement Construction Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	131

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)**

MAJOR ENTERPRISE FUND

Water and Sewer Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	132
Schedule of Operating Revenues - Budget and Actual	133
Schedule of Operating Expenses - Budget and Actual	134-136

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position	137
Combining Statement of Revenues, Expenses, and Changes in Net Position	138
Combining Statement of Cash Flows	139-140

Parking System Revenue Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	141
Schedule of Operating Expenses - Budget and Actual	142

Village Parking System Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	143
Schedule of Operating Expenses - Budget and Actual	144

INTERNAL SERVICE FUNDS

Combining Statement of Net Position	145
Combining Statement of Revenues, Expenses, and Changes in Net Position	146
Combining Statement of Cash Flows	147-148

Computer Replacement Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	149
Schedule of Operating Expenses - Budget and Actual	150

Risk Management Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	151
Schedule of Operating Revenues - Budget and Actual	152
Schedule of Operating Expenses - Budget and Actual	153

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)**

INTERNAL SERVICE FUNDS (Continued)

Vehicle Replacement Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	154
Schedule of Operating Revenues - Budget and Actual	155
Schedule of Operating Expenses - Budget and Actual	156
Vehicle Maintenance Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	157
Schedule of Operating Revenues - Budget and Actual	158
Schedule of Operating Expenses - Budget and Actual	159

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Combining Statement of Net Position - Pension Trust Funds	160
Combining Statement of Changes in Net Position - Pension Trust Funds	161
Schedule of Changes in Net Position - Budget and Actual	
Police Pension Fund	162
Firefighters' Pension Fund	163

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities - Agency Funds	164-165
--	---------

SUPPLEMENTAL DATA

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

Schedule of General Long-Term Debt	166-167
--	---------

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

LONG-TERM DEBT REQUIREMENTS

General Obligation Bonds of 2009	168
General Obligation Refunding Bonds of 2009B	169
Taxable General Obligation Bonds of 2009C	170
General Obligation Bonds of 2011B.....	171
General Obligation Bonds of 2012	172
General Obligation Bonds of 2013	173
General Obligation Bonds of 2014	174
General Obligation Refunding Bonds of 2016	175
General Obligation Refunding Bonds of 2016A	176
General Obligation Bonds of 2017	177
IEPA Flood Loan (L17-1087) Contract Payable of 1999.....	178
Installment Note Payable of 2012	179

ADDITIONAL SUPPLEMENTAL DATA

Schedule of Insurance in Force	180
--------------------------------------	-----

STATISTICAL SECTION

Financial Trends

Net Position by Component	181-182
Change in Net Position.....	183-186
Fund Balances of Governmental Funds	187-188
Changes in Fund Balances of Governmental Funds	189-190

Revenue Capacity

Assessed Value and Actual Value of Taxable Property.....	191
Property Tax Rates - Direct and Overlapping Governments	192-193
Principal Property Taxpayers	194
Property Tax Levies and Collections	195
Sales Taxes by Category	196
Business District Sales Taxes by Category	197
Home Rule Sales by Category.....	198
Direct and Overlapping Sales Tax Rates.....	199

Debt Capacity

Ratios of Outstanding Debt by Type	200
Ratios of General Bonded Debt Outstanding.....	201
Direct and Overlapping Governmental Activities Debt.....	202
Schedule of Legal Debt Margin	203

VILLAGE OF MOUNT PROSPECT, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Continued)	
Demographic and Economic Information	
Demographic and Economic Information	204
Principal Employers	205
Operating Information	
Full-Time Equivalent Employees.....	206-207
Operating Indicators	208-209
Capital Assets Statistics by Function	210
Additional Disclosures Required by SEC Rule 15c2-12	211-218

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL OFFICIALS

DECEMBER 31, 2017

MAYOR

Arlene A. Juracek

TRUSTEES

William A. Grossi

Richard F. Rogers

Eleni Hatzis

Colleen E. Saccotelli

Paul Wm. Hoefert

Michael A. Zadel

ADMINISTRATION

Michael J. Cassady

Village Manager

Nellie S. Beckner

Assistant to the Village Manager

Karen Agoranos

Village Clerk

David O. Erb

Finance Director/Treasurer

William J. Cooney, Jr.

Community Development Director

William M. Schroeder

Director of Building and Inspection Services

Julie K. Kane

Human Services Director

Michael Eterno

Acting Police Chief

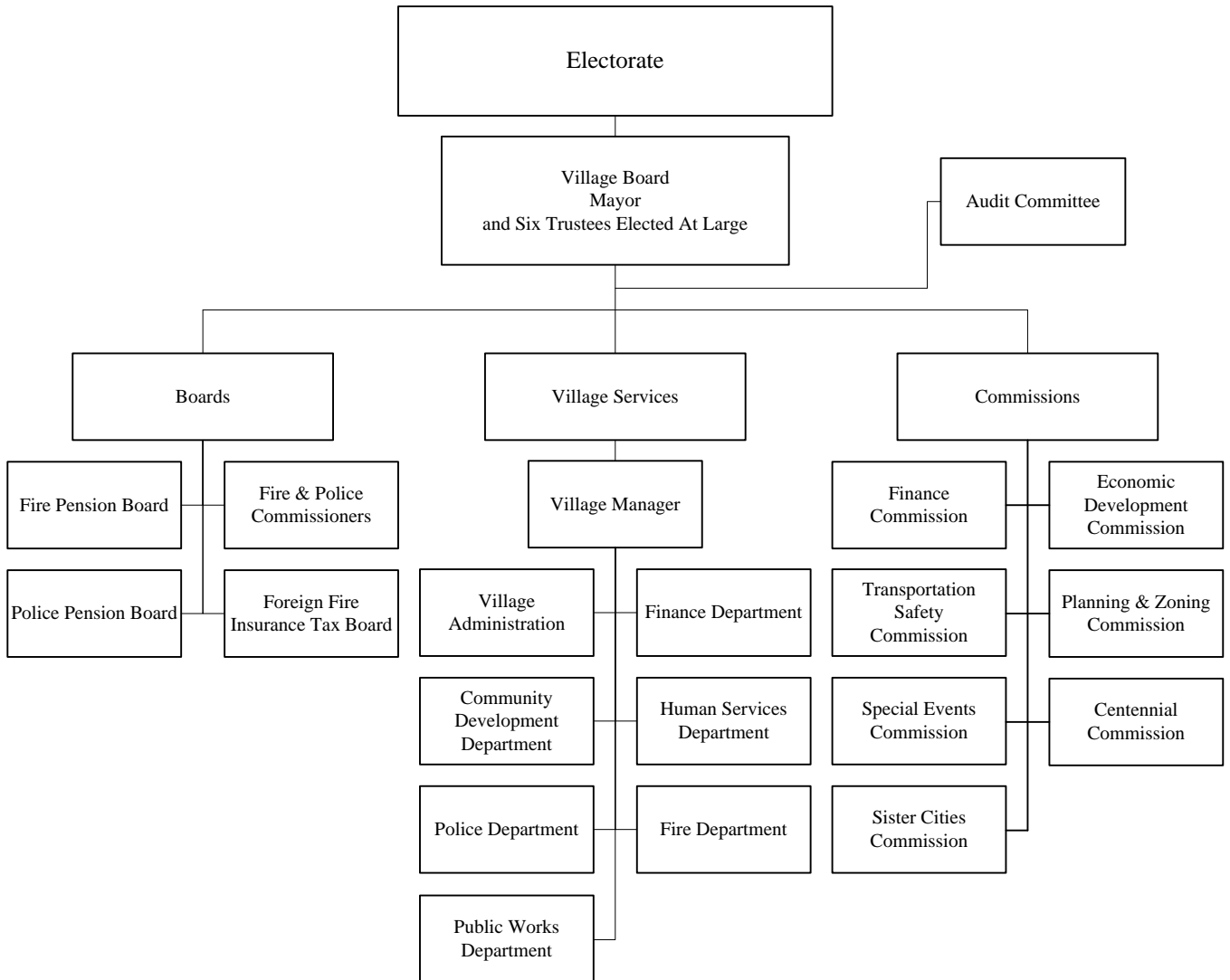
Brian Lambel

Fire Chief

Sean P. Dorsey

Public Works Director

VILLAGE OF MOUNT PROSPECT ORGANIZATIONAL STRUCTURE



MAYOR

Arlene A. Juracek

TRUSTEES

William A. Grossi

Eleni Hatzis

Paul Wm. Hoefert

Richard F. Rogers

Colleen E. Saccotelli

Michael A. Zadel

VILLAGE MANAGER

Michael J. Cassidy

VILLAGE CLERK

Karen Agoranos

Phone: 847/392-6000

Fax: 847/392-6022

www.mountprospect.org



Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 26, 2018

The Honorable Arlene A. Juracek, Village President
Members of the Board of Trustees
Village Manager Michael J. Cassidy, and
Citizens of the Village of Mount Prospect, Illinois

The Comprehensive Annual Financial Report of the Village of Mount Prospect, Illinois for the fiscal year ended December 31, 2017 is submitted herewith. The report consists of management's representations concerning the finances of the Village of Mount Prospect. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village.

To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Mount Prospect's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework on internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The Village has implemented GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis - for state and local governments, including infrastructure reporting. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Mount Prospect for the year ended December 31, 2017, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon their audit that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Mount Prospect

The Village of Mount Prospect, a home rule community as defined by the Illinois Constitution, was incorporated February 3, 1917 and is located 22 miles northwest from downtown Chicago in Cook County. The Village currently has land area of 10.8 square miles and a population of 54,167 (2010 Census).

The Village operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Mayor and six-member Board of Trustees. The Village Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committee members and hiring the Village Manager. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The Mayor is elected to a four-year term. The Mayor and Village Trustees are elected at large. The Village provides a full range of services including police, fire, public works (including water and sewer), human services, finance, community development and communication (television) services.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Finance Director by mid-July each year. Revenue estimates are completed by the Finance Department in preparation for departmental budget reviews with the Village Manager and Finance Director in early August. Initial budget requests are compiled by the end of August. A proposed budget is prepared and delivered to the Village Board and Finance Commission at the end of September. The proposed budget is also made available for public inspection in the Village Clerk's Office, on the village website and at the Mount Prospect Public Library. A series of joint workshops are held with members of the Village Board and Finance Commission at two (2) Committee of the Whole meetings in October. The Finance Commission also meets separately with staff in October. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31st of each year, the close of the Village's previous budget year. The budget is prepared by fund and by department. Expense cost centers are created within departments giving a true picture of the cost of providing a particular service (i.e. Police Department Investigations). Budget amendments require approval of the Village Board. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted.

For the General Corporate Fund and major special revenue funds, this comparison is presented in the required supplementary information. For governmental funds, other than the General Corporate Fund and major special revenue funds, with appropriated annual budgets, this comparison is presented in the major and non-major governmental fund subsections of this report.

Major Initiatives

The Village staff, following directives of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect initiatives found in the Village's Strategic Plan and commitment to ensuring its citizens are able to live and work in an enviable environment. Below is a list of the more significant accomplishments that address various goals identified for 2017.

- **Golf Plaza II** – Village staff facilitated the opening of KD Market and continued to work with the owners of this important south-side plaza on further redevelopment of the site and provide assistance with filling remaining vacancies.
- **Levee 37 Plan** – An engineering study to address flooding along the Des Plaines River was completed, providing options for increasing the capacity of existing pump stations. Next steps include design engineering as recommended in the study.
- **Water/Sewer Rate Study** – A comprehensive utility rate study was completed that assessed the revenue stream for this enterprise function and determined the long-term renewal/replacement needs for maintaining the system. A 10-year funding plan was developed that provides for adequate funding of ongoing operations and improves the rate at which water system replacements can be made.
- **Elk Grove Rural Fire Protection District Agreement (EGRFPD)** – A resolution was approved that authorized the execution of an agreement between the Village and the EGRFPD. An agreement will allow for uninterrupted fire protection service in the newly annexed areas.
- **Busse Triangle Development** – Village staff helped facilitate the preliminary PUD approval of 20 West Triangle redevelopment project, and expedited downtown building demolition permit applications and projects. Ground breaking for the 20 West project is scheduled for mid-2018.
- **Annexation Initiative** – Continued annexation strategy to incorporate areas surrounded by the Mount Prospect corporate limits. Successful annexations included areas surrounding the United Airlines property and Birch Manor condominiums.
- **Police Succession Plan** – The Village Manager took a first step in developing a succession plan for the Police Department by hiring a new Police Chief. This position had been vacant due to the resignation of the previous Chief. With this position now filled, a long-term plan can be developed for filling other leadership and front-line positions within the department as they become open through retirements and other organizational changes.

Refer to the Strategic Plan tab of the 2018 Annual Budget document for a complete listing of major initiatives and accomplishments.

All Departments continue to perform extremely well in delivering high quality services to our residents and business community. Initiatives included in the Village's strategic plan have provided a focus for these services. The Village's Annual Budget and Audit Documents were again recognized for their clarity and usability and Mount Prospect was recognized as Tree City U.S.A. for the 33rd consecutive year.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local economy. The Village continues to benefit from growth in the local economy. There are a number of factors that influence the economy of a specific community, and various measures are used to gauge the economic outlook. Perhaps four of the most objective measures are the level of retail sales, the employment level of the community, income levels in the community and building activity. In Illinois, sales taxes are allocated based upon the point-of-sale, and accordingly represent the sales in the community. Total state sales tax receipts received during the calendar year ended December 31, 2017 were \$18,521,934 compared to \$16,344,573 for the previous year, an increase of 13.3%. The increase from the prior year is due to strong growth in the drug and miscellaneous retail and automobile/filling station categories. Since the Village's portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$1.85 billion for 2017. The Village projects that this revenue source will increase 4.5% during 2018 and 2019. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will grow in the coming years.

Mount Prospect's average unemployment during 2017 was 3.7%. This was a decrease from the prior year of 90 basis points (4.6% in 2016). The average unemployment rate for the State of Illinois for 2017 was decreased 80 basis points from the prior year coming in at 5.0%. During the 12 months of 2017, the average rate had been 5.8%. The rate for U.S. decreased 50 basis points from 4.9% to 4.4%. Mount Prospect's median family income, \$67,823 as of the 2010 Census (using 5-year estimates), was 26% higher than the median for Cook County (\$53,942) and 22% higher than the median for the State of Illinois (\$55,735).

In a suburban setting where it is often difficult to distinguish the boundaries of one community from a neighboring community, the economic activity of the "region" is a major influence on the economies of the individual communities. The Village of Mount Prospect is located on the eastern edge of the "Golden Corridor" which extends along Interstate 90 from O'Hare Airport to Elgin, a stretch of approximately 25 miles. Along this corridor can be found the corporate headquarters of such corporations as Sears and Zurich North America. The corridor is also home to regional headquarters for such corporations as AT&T and Siemens. The Corridor will continue to grow, as thousands of acres remain available for development on its far western edge.

Long-term financial planning. In 2003, the Village conducted its first long-range financial planning workshop. The workshop was held in response to the slowing economy and its impact to the Village's financial condition. The goal of the workshop was to put the Village's financial condition back on firm ground in such a manner as to not overburden residents and businesses from a tax standpoint or reduce the scope and quality of municipal services that would jeopardize the livability and curb appeal of the community. The goal of the workshop was accomplished through a series of revenue enhancements, budget cuts and the planned drawdown of fund balance. Subsequent workshops continued into 2017. During the 2017 workshop, financial status reports were provided for end-of-year results for 2016, updated projections for 2017 and a revised forecast for 2018.

Two additional tools have been developed in managing the long-range finances of the Village. The first is a Five-Year Community Investment Program that outlines the major capital expenditure/project initiatives of the Village over the next five years and identifies funding sources. Over the next five years (2018-2022), the Village has identified \$116.8 million in water and sewer, flood control, street, public building, equipment and other miscellaneous capital projects. The second is the Village Strategic Plan for 2020 completed in early 2016. The strategic plan provides the mission, vision, and goals for vision attainment along with the strategic action plan of the organization. An implementation guide was developed in October 2016 using the goals identified in the

Strategic Plan. This implementation guide provides the objectives, short-term challenges and opportunities, and action items to be taken for accomplishing the goals of the Village. Action items were prioritized as top or high priority by the Village Board and fall into three categories; Policy Agenda, Management Agenda and Management in Progress. The implementation guide is updated annually reflecting work completed and changing priorities. Funding of initiatives identified in the strategic plan will receive a higher priority during the budget process.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Mount Prospect for its comprehensive annual financial report for the year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Village of Mount Prospect has received a Certificate of Achievement since 1983. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for evaluation.

In addition, the Village of Mount Prospect also received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning on January 1, 2017 and ending December 31, 2017. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The Village of Mount Prospect has received this award each year since 1994. The Village is awaiting word as to whether it received the Budget Award for its 2018 Budget document.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express special appreciation to Lynn Jarog, Deputy Finance Director, Mike Grochocki, Accounting Supervisor and Accountants Nancy Warnock and Rumiana Nihtianova who contributed greatly to its preparation. Additionally, I would like to acknowledge the Mayor, the Board of Trustees, the Finance Commission and Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



David O. Erb
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Mount Prospect
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Mount Prospect, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois (the Village) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental data, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 26, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

For Fiscal Year Ended December 31, 2017

The Village of Mount Prospect (the "Village") Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iii), and the Village's financial statements (beginning on page 4).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The primary focus of local governmental financial statements had been to summarize fund type information on a current financial resource basis. This approach was modified by Governmental Accounting Standards Board (GASB) Statement No. 34. As a result, these financial statements now present two kinds of statements, each with a different snapshot of the Village's finances. The financial statement's focus under GASB Statement No. 34 is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 4-7) are designed to be corporate-like in that all of the governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") found on pages 4-5 is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the 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 (see pages 6-7) 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 police, fire, public works, and administration. Property taxes, sales and income taxes and local utility taxes finance the majority of these services. The business-type activities reflect private sector type operations (water, sewer, and parking operations), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on major funds rather than (the previous model's) fund types.

The Governmental Major Fund (see pages 8-12) presentation is organized on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Pension Trust and Agency Funds). While these 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 Business-type Activities column on the Proprietary Fund Financial Statements (see pages 13-17) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 10 and 12). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the government-wide statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – i.e. roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental Activities 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 of Mount Prospect has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position for the primary government decreased from a negative \$12.8 million to a negative \$14.8 million. The net decrease of \$2.0 million is attributable to a decrease of \$2.8 million in Governmental Activities and an increase of \$0.8 in Business-Type Activities.

Table 1 reflects the condensed Statement of Net Position. For more detailed information see the Statement of Net Position found on pages 4-5. Table 2 focuses on the changes in net position of the governmental and business-type activities.

(This space is intentionally left blank.)

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 1
Statement of Net Position
as of December 31, 2017 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 78.6	\$ 73.7	\$ 12.4	\$ 7.8	\$ 91.0	\$ 81.5
Capital assets	63.4	64.3	36.7	36.6	100.1	100.9
Total assets	\$ 142.0	\$ 138.0	\$ 49.1	\$ 44.4	\$ 191.1	\$ 182.4
Deferred outflows of resources	14.2	19.3	1.0	1.3	15.2	20.6
Total assets/deferred outflows	\$ 156.2	\$ 157.3	\$ 50.1	\$ 45.7	\$ 206.3	\$ 203.0
Current liabilities	\$ 5.9	\$ 5.2	\$ 1.0	\$ 2.4	\$ 6.9	\$ 7.6
Noncurrent liabilities	175.1	181.6	6.9	2.0	182.0	183.6
Total liabilities	\$ 181.0	\$ 186.8	\$ 7.9	\$ 4.4	\$ 188.9	\$ 191.2
Deferred inflows of resources	32.0	24.5	0.2	0.1	32.2	24.6
Total liabilities/deferred inflows	\$ 213.0	\$ 211.3	\$ 8.1	\$ 4.5	\$ 221.1	\$ 215.8
Net Position						
Net investment in capital assets	\$ 34.2	\$ 43.0	\$ 36.0	\$ 36.6	\$ 70.2	\$ 79.6
Restricted net position	4.1	4.6	-	-	4.1	4.6
Unrestricted net position	(95.1)	(101.6)	6.0	4.6	(89.1)	(97.0)
Total net position	\$ (56.8)	\$ (54.0)	\$ 42.0	\$ 41.2	\$ (14.8)	\$ (12.8)

Normal Impacts

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

Net results of activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital - which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation - which will reduce capital assets and net investment in capital assets.

(See independent auditor's report.)

Current Year Impacts

Governmental activities net position decreased \$2.8 million while the business-type activities net position increased by \$0.8 million. The governmental activities total assets decreased by \$1.1 million and the governmental activities total liabilities/deferred inflows increased by \$1.7 million. The total assets decrease of \$1.1 million in governmental activities was the result of an increase of \$4.9 million in current and other assets a decrease of \$0.9 million in capital assets and a decrease in deferred outflows of \$5.1 million. The \$4.9 million increase in current assets was due to an increase in cash of \$6.8 million and a decrease in due from other governments of \$1.9 million. Surplus from operations in the General Fund and proceeds from the sale of bonds accounted for the increase in cash and investments. Amounts due from the Mount Prospect Public Library related to their outstanding debt accounted for the decrease in due from other governments. The increase in total net position of \$0.8 million in business-type activities was due to an increase in current assets of \$4.6 million, an increase in capital assets of \$0.1 million, a decrease in deferred outflows of \$0.3 million, a net increase in current and noncurrent liabilities of \$3.5 million, and an increase in deferred inflows of \$0.1 million.

The decrease in deferred outflows of \$5.1 million for the governmental activities was due to a decrease in pension-related items for IMRF, Police and Fire. Total liabilities for governmental activities decreased \$5.8 million due to an increase in current liabilities of \$0.7 million and a decrease in non-current liabilities of \$6.5 million. The decrease in non-current liabilities was due to a decrease in debt due in more than one year. Deferred inflows of resources increased \$7.5 million for pension-related items for IMRF, Police and Fire. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities and deferred inflows of resources for business-type activities increased from \$4.5 million to \$8.1 million. This increase was due to an increase in non-current liabilities of \$4.9 million and a decrease in current liabilities of \$1.4 million.

Changes in Net Position

The Village's combined change in net position for the primary government in 2017 was a decrease of \$2.1 million versus a decrease of \$7.3 million in 2016. Activities for the governmental activities saw a decrease in net position of \$2.9 million from 2016, while activities for the business-type funds saw an increase in net position of \$0.8 million from 2016. The following chart lists the revenues and expenses for the current and prior fiscal years.

(This space is intentionally left blank.)

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 2
Changes in Net Position
as of December 31, 2017 (in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for service	\$ 10.7	\$ 11.4	\$ 13.7	\$ 13.3	\$ 24.4	\$ 24.7
Operating grants	2.7	2.6	-	-	2.7	2.6
Capital grants/contrib.	0.2	-	-	0.2	0.2	0.2
General revenues						
Property taxes	18.4	20.5	1.5	1.5	19.9	22.0
Business district taxes	0.3	0.3	-	-	0.3	0.3
Sales/Use taxes	25.3	23.2	-	0.1	25.3	23.3
Income taxes	5.0	5.3	-	-	5.0	5.3
Utility taxes	3.5	3.6	-	-	3.5	3.6
Other taxes	4.4	4.4	-	-	4.4	4.4
Investment income	0.2	0.1	-	-	0.2	0.1
Contributions	-	-	-	-	-	-
Other	-	-	0.1	0.1	0.1	0.1
Total revenue	\$ 70.7	\$ 71.4	\$ 15.3	\$ 15.2	\$ 86.0	\$ 86.6
Expenses						
General government	\$ 10.7	\$ 9.9	\$ -	\$ -	\$ 10.7	\$ 9.9
Public safety	37.4	38.3	-	-	37.4	38.3
Highways and streets	16.2	20.0	-	-	16.2	20.0
Health	4.6	4.6	-	-	4.6	4.6
Welfare	2.1	2.1	-	-	2.1	2.1
Culture and recreation	0.6	0.5	-	-	0.6	0.5
Interest	2.0	2.0	-	-	2.0	2.0
Water and sewer	-	-	14.3	16.1	14.3	16.1
Parking	-	-	0.2	0.4	0.2	0.4
Total expenses	\$ 73.6	\$ 77.4	\$ 14.5	\$ 16.5	\$ 88.1	\$ 93.9
Change in net position	\$ (2.9)	\$ (6.0)	\$ 0.8	\$ (1.3)	\$ (2.1)	\$ (7.3)
Net Position, January 1	\$ (54.0)	\$ (50.5)	\$ 41.2	\$ 41.9	\$ (12.8)	\$ (8.6)
Change in accounting principal	-	2.5	-	0.6	-	3.1
Prior Period Adjustment	-	-	-	-	-	-
Net Position (Deficit), January 1, Restated	\$ (54.0)	\$ (48.0)	\$ 41.2	\$ 42.5	\$ (12.8)	\$ (5.5)
Net Position (Deficit), December 31	\$ (56.9)	\$ (54.0)	\$ 42.0	\$ 41.2	\$ (14.9)	\$ (12.8)

(Note: There may be some slight differences in totals due to rounding).

(See independent auditor's report.)

Normal Impacts

There are eight basic impacts on revenues and expenses and are reflected below.

Revenues:

Economic condition - This can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/decrease in Village approved rates - While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, sewer, licenses and fees, home rule sales tax, utility taxes, etc.).

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 using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer-term options.

Expenses:

Introduction of new programs - Within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs or unfunded mandates from other governmental levels.

Increase/Decrease in authorized personnel - Changes in service demand may cause the Village Board to increase/decrease authorized staffing levels. Staffing costs (salary and related benefits) represent approximately 80% of the Village's General Fund operating costs.

Salary increases (annual adjustments and merit) - The ability to attract and retain human and intellectual resources requires the Village to strive for a competitive salary range position in the marketplace. In addition, the Village has 4 separate bargaining units representing various segments of the employee population.

Inflation - While overall inflation appears to be reasonably low, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some specific areas may experience unusually high price increases.

CURRENT YEAR IMPACTS

Governmental Activities

Revenue:

Total revenues for the Village's Governmental Activities for 2017 were \$70.7 million.

Sales/Use taxes are the largest revenue source for governmental activities accounting for \$25.3 million or an increase of \$2.1 million from the prior year. The increase was due primarily to the steadily improving local economy and additional new retail coming on line. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. Property taxes are the second highest revenue source with \$18.4 million in revenue. This revenue has historically been the most stable source for the Village. This was a decrease of \$2.1 million from the prior year due to the termination of the Downtown Redevelopment TIF District. There was a decrease of \$0.7 million in charges for service. Other taxes and revenues did not change from the prior year.

(See independent auditor's report.)

Governmental Activities (cont.)

Expenses:

Total expenses for the Village's Governmental Activities for 2017 were \$73.6 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2017 were \$37.4 million, a decrease of \$0.9 million from 2016. Expenses for Highways and Streets, which are made up of the public works divisions (excluding water and sewer) is the second largest category of governmental expenses totaling \$16.2 million, a decrease of \$3.8 million from the prior year. The decrease is primarily due to expenses related to capital projects.

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2017 were \$15.3 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service annually account for the largest share of revenue for business-type activities. Of the \$13.7 million generated in 2017, \$10.5 million is from water sales, \$2.7 million is from sewer fees and charges, \$0.3 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2016, water sales accounted for \$10.1 million and sewer fees were \$2.6 million. The Water and Sewer Fund also receives special service area taxes in the amount of \$1.5 million. This amount is unchanged from the prior year. These taxes support the delivery of Lake Michigan Water to Village residents that are connected to the Village's water system.

Expenses:

Total expenses for the Village's Business-Type Activities for 2017 were \$14.5 million.

Of the total expenses for business-type activities, \$14.3 million is attributable to Water and Sewer while \$0.2 million is attributable to parking. \$6.5 million in Water and Sewer Fund expenses were for the acquisition of water through the Northwest Suburban Municipal Joint Action Water Agency (JAWA). In comparison, of the \$16.5 million in expenses for 2016, \$6.4 million were attributable to the acquisition of water through JAWA.

FINANCIAL ANALYSIS OF THE VILLAGE'S GENERAL FUND

The General Fund is the Village's primary operating fund. It supports a majority of the day-to-day services delivered to its residences and businesses. The fund balance of the General Fund saw an increase of \$0.7 million in 2017 from \$18.7 million to \$19.4 million. In 2017, General Fund revenues came in below final budget by \$0.8 million while expenditures and net transfers came in \$1.5 million under budget. The final Village budget had anticipated a decrease in the General Fund fund balance of \$0.1 million.

No other significant deviations from the final budget were seen in revenues during 2017.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2017, the Village amended the budget four (4) times. Table 3 below reflects the original and revised budget and the actual revenues and expenditures for the General Fund. More information can be found in the schedule of revenues, expenditures and changes in fund balance beginning on page 94.

Table 3
 General Fund Budgetary Changes
 Calendar Year 2017 (in millions)

	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 23.7	\$ 23.8	\$ 23.2
Intergovernmental	25.0	25.4	25.8
Other	<u>4.6</u>	<u>5.5</u>	<u>4.8</u>
Total Revenues	\$ 53.3	\$ 54.7	\$ 53.8
Expenditures and Transfers			
Expenditures	\$ 52.7	\$ 54.0	\$ 52.5
Net Transfers	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
Total Expenditures and Transfers	\$ 53.3	\$ 54.6	\$ 53.1
Change in Fund Balance	<u>\$ -</u>	<u>\$ 0.1</u>	<u>\$ 0.7</u>

Other Major Funds

There are two (2) other Major Funds for Fiscal Year ended December 31, 2017. These two Funds are 1) Refuse Disposal Fund, and 2) Debt Service Fund.

Refuse Disposal Fund – This Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2017 were \$4.3 million, a decrease of \$0.3 million from the prior year. Almost the entire amount of revenue received during 2017 was due to charges for service. Total expenditures for 2017 were \$4.2 million, a decrease of \$0.2 million from the prior year. Ending fund balance increased \$0.1 million to \$1.5 million.

Debt Service Fund – This Fund is used to accumulate monies for payment of principal and interest on general obligation bonds and other borrowings. Total revenues for 2017 were \$4.9 million, a decrease of \$0.1 million from the prior year. Of this total revenue amount, \$2.3 million is from property taxes, \$1.6 million is from an intergovernmental transfer from the Mount Prospect Public Library to pay for library related debt, and \$1.0 million is from other taxes. Total expenditures for 2017 were \$4.9 million, a decrease of \$0.4 from the prior year.

(See independent auditor’s report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital Assets

At the end of 2017, the Village had a combined total of \$100.2 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 below). The following reconciliation summarizes the changes in Capital Assets.

Table 4
Capital Assets at Year End
Net of Depreciation (in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land (including right-of-way)	\$ 10.3	\$ 10.3	\$ 17.6	\$ 17.6	\$ 27.9	\$ 27.9
Construction in Progress	2.3	2.1	0.9	0.4	3.2	2.5
Buildings & Improvements	27.8	27.8	1.5	2.0	29.3	29.8
Vehicles	4.4	3.8	-	-	4.4	3.8
Machinery & Equipment	1.5	1.1	1.7	1.9	3.2	3.0
Infrastructure	17.2	19.2	15.0	14.7	32.2	33.9
Total Capital Assets	<u>\$ 63.5</u>	<u>\$ 64.3</u>	<u>\$ 36.7</u>	<u>\$ 36.6</u>	<u>\$ 100.2</u>	<u>\$ 100.9</u>

This amount represents a net decrease (including additions and deletions) of \$0.7 million from 2016.

(This space is intentionally left blank.)

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 5
Change in Capital Assets (in millions)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning Balance	\$ 64.3	\$ 36.6	\$ 100.9
Additions			
Depreciable	3.2	0.7	3.9
Non-Depreciable	1.2	0.7	1.9
Retirements			
Depreciable	(1.0)	(0.4)	(1.4)
Non-Depreciable	(1.0)	(0.2)	(1.2)
Depreciation	(4.1)	(0.7)	(4.8)
Retirement	<u>0.9</u>	<u>-</u>	<u>0.9</u>
Ending Balance	<u>\$ 63.5</u>	<u>\$ 36.7</u>	<u>\$ 100.2</u>

Table 5 above shows the change in capital assets during 2017. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

Vehicles for Public Safety, Public Works and Village Fleet - \$1.3
Building and other Infrastructure Improvements - \$1.3
Various construction projects in-progress - \$1.2
Purchases of various machinery & equipment - \$0.6

Business-Type Activities

Various construction projects in-progress - \$0.7
Infrastructure Improvements - \$0.7

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 33.

Debt Outstanding

The Village of Mount Prospect had total long-term debt and loans payable of \$182.0 million as of December 31, 2017. Long-term debt is comprised of general obligation debt, compensated absences to employees, other post-employment benefits (OPEB), loans payable, and pension liability for IMRF, police and fire. During the year, \$10.8 million of general obligation debt and notes payable were issued while compensated absences, claims and judgments, and post-employment benefits increased \$2.5 million. Decreases in long term debt include the retirement of \$3.1 million in general obligation debt, \$9.0 million reduction in pension liability for police and fire, and \$0.6 million in notes and loan contracts.

The Village of Mount Prospect maintains an AA+ rating from Standard and Poor's. As a home rule authority, the Village of Mount Prospect does not have a legal debt limit.

More detailed information on long-term debt activity can be found in Note 6 of the notes to the financial statements beginning on page 37.

(See independent auditor's report.)

Economic Factor's and Next Year's Budget

The General Fund, the Village's main operating fund, ended with a solid surplus for calendar year 2017. The \$0.7 million surplus increases the fund balance to 35% of the subsequent year budgeted expenditures. The Village Board has set as its benchmark a level of reserves equal to 25% of subsequent year expenditures. Total village revenues for 2017 continued to see positive increases from the prior year. Conservative approaches to estimating revenue and strong expenditure management by the various departments have allowed the Village to maintain a strong financial condition through several lean years following the significant downturn in the economy that started at the end of 2008. Continuing challenges in 2018 and years to come include, reductions in revenue due to state budgetary issues, rising personnel related costs (wages, insurance, etc.) and the funding of the public safety pensions. Approximately 80% of the operating budget is made up of these personnel and related costs.

The Village's average unemployment for 2017 was 3.7%. This is below the state and national unemployment rate of 5.0% and 4.4% respectively. The Village's unemployment rate decreased 90 basis points from the prior year.

The 2018 Budget represents a 6.6% increase from the amended 2017 Budget and totals \$123.7 million. The General Fund increased \$1.4 million, or 2.6% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 1.8% and totals \$72.4 million. The Operating Budget includes all General Fund expenditures as well as refuse disposal, water and sewer service, and various special revenue activities.

Request for Information

This financial report is designed to provide a general overview of the Village of Mount Prospect's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to David O. Erb, Finance Director/Treasurer, Village of Mount Prospect, 50 South Emerson, Mount Prospect, Illinois 60056.

(See independent auditor's report.)

BASIC FINANCIAL STATEMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 40,200,592	\$ 8,108,897	\$ 48,309,489
Receivables (net of allowance, where applicable)			
Property taxes	18,713,005	1,515,464	20,228,469
Other taxes	7,488,185	-	7,488,185
Accrued interest	17,731	4,009	21,740
Utility customers	-	1,420,341	1,420,341
Miscellaneous	1,062,996	5,972	1,068,968
Prepaid items	508,212	16,404	524,616
Inventory	310,169	358,919	669,088
Due from fiduciary	5,654	-	5,654
Due from other governments	8,084,573	771	8,085,344
Deposits - insurance	2,190,074	-	2,190,074
Deposits with joint venture	-	953,442	953,442
Capital assets not being depreciated	12,585,293	18,497,649	31,082,942
Capital assets being depreciated (net of accumulated depreciation)	50,867,163	18,209,122	69,076,285
Total assets	142,033,647	49,090,990	191,124,637
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	4,346,340	1,017,311	5,363,651
Pension items - Police Pension	3,373,499	-	3,373,499
Pension items - Firefighters' Pension	5,925,943	-	5,925,943
Unamortized loss on refunding	524,395	-	524,395
Total deferred outflows of resources	14,170,177	1,017,311	15,187,488
Total assets and deferred outflows of resources	156,203,824	50,108,301	206,312,125
LIABILITIES			
Accounts payable	3,936,808	883,872	4,820,680
Accrued payroll	896,885	80,067	976,952
Accrued interest payable	105,674	-	105,674
Retainage payable	170,677	15,442	186,119
Other payables	68,622	1,877	70,499
Due to fiduciary funds	41,918	-	41,918
Unearned revenue	643,482	34,275	677,757
Due to other governments	9,099	-	9,099
Noncurrent liabilities			
Due within one year	5,812,362	172,851	5,985,213
Due in more than one year	169,359,688	6,702,779	176,062,467
Total liabilities	181,045,215	7,891,163	188,936,378
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	18,713,005	-	18,713,005
Pension items - IMRF	788,153	184,476	972,629
Pension items - Police Pension	7,615,408	-	7,615,408
Pension items - Firefighters' Pension	4,916,780	-	4,916,780
Total deferred inflows of resources	32,033,346	184,476	32,217,822
Total liabilities and deferred inflows of resources	213,078,561	8,075,639	221,154,200

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 34,171,129	\$ 35,765,755	\$ 69,936,884
Restricted for			
Highways and streets	1,873,899	-	1,873,899
Public safety - police	334,030	-	334,030
Public safety - fire	352,417	-	352,417
Debt service	184,195	-	184,195
Refuse disposal	1,360,019	-	1,360,019
Unrestricted (deficit)	<u>(95,150,426)</u>	<u>6,266,907</u>	<u>(88,883,519)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (56,874,737)</u>	<u>\$ 42,032,662</u>	<u>\$ (14,842,075)</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 10,690,075	\$ 4,178,495	\$ 17,087	\$ -
Public safety	37,351,039	1,761,708	760,127	159,682
Highways and streets	16,176,313	169,389	1,430,753	-
Health	4,557,211	4,310,647	-	-
Welfare	2,068,368	39,621	405,499	-
Culture and recreation	611,653	61,895	49,500	-
Interest	2,049,953	204,100	42,618	-
Total governmental activities	73,504,612	10,725,855	2,705,584	159,682
Business-Type Activities				
Water and sewer	14,308,117	13,395,619	-	-
Parking	229,873	343,314	-	-
Total business-type activities	14,537,990	13,738,933	-	-
TOTAL PRIMARY GOVERNMENT	\$ 88,042,602	\$ 24,464,788	\$ 2,705,584	\$ 159,682

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (6,494,493)	\$ -	\$ (6,494,493)
	(34,669,522)	-	(34,669,522)
	(14,576,171)	-	(14,576,171)
	(246,564)	-	(246,564)
	(1,623,248)	-	(1,623,248)
	(500,258)	-	(500,258)
	(1,803,235)	-	(1,803,235)
	(59,913,491)	-	(59,913,491)
	-	(912,498)	(912,498)
	-	113,441	113,441
	-	(799,057)	(799,057)
	(59,913,491)	(799,057)	(60,712,548)
General Revenues			
Taxes			
Property	18,396,040	1,514,452	19,910,492
Utility	3,491,473	-	3,491,473
Business district	322,936	-	322,936
Home rule sales	5,365,011	-	5,365,011
Food and beverage	1,222,166	-	1,222,166
Real estate transfer	1,190,331	-	1,190,331
Municipal motor fuel	706,715	-	706,715
Hotel/motel	479,927	-	479,927
Charitable games	6,236	-	6,236
Other	205,092	-	205,092
Intergovernmental - unrestricted			
State sales and use tax	19,894,716	-	19,894,716
Income tax	4,975,194	-	4,975,194
Replacement tax	456,136	-	456,136
Investment income	196,995	25,334	222,329
Miscellaneous	125,949	92,905	218,854
Total	57,034,917	1,632,691	58,667,608
CHANGE IN NET POSITION	(2,878,574)	833,634	(2,044,940)
NET POSITION (DEFICIT), JANUARY 1	(53,996,163)	41,199,028	(12,797,135)
NET POSITION (DEFICIT), DECEMBER 31	\$ (56,874,737)	\$ 42,032,662	\$ (14,842,075)

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	General	Refuse Disposal	Debt Service	Nonmajor	Total
ASSETS					
Cash and investments	\$ 14,814,727	\$ 1,054,842	\$ 162,895	\$ 11,957,711	\$ 27,990,175
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	16,333,702	-	2,379,303	-	18,713,005
Other taxes	6,220,011	-	-	1,268,174	7,488,185
Accrued interest	9,571	-	-	-	9,571
Other	408,285	535,088	-	95,094	1,038,467
Due from other funds	92,845	-	-	-	92,845
Due from other governments	186,629	-	7,381,300	506,518	8,074,447
Inventories	1,936	-	-	-	1,936
Prepaid items	259,283	82,626	-	606	342,515
TOTAL ASSETS	\$ 38,326,989	\$ 1,672,556	\$ 9,923,498	\$ 13,828,103	\$ 63,751,146

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

December 31, 2017

	General	Refuse Disposal	Debt Service	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,463,624	\$ 222,369	\$ -	\$ 2,121,364	\$ 3,807,357
Accrued payroll	852,506	7,542	-	-	860,048
Retainage payable	5,332	-	-	165,345	170,677
Other payables	53,741	-	-	-	53,741
Compensated absences	23,650	-	-	-	23,650
Unearned revenue	144,446	-	-	499,036	643,482
Due to other governments	9,099	-	-	-	9,099
Due to other funds	-	-	-	87,192	87,192
Due to fiduciary funds	41,918	-	-	-	41,918
Total liabilities	2,594,316	229,911	-	2,872,937	5,697,164
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	16,333,702	-	2,379,303	-	18,713,005
Unavailable revenue - other	-	-	7,360,000	-	7,360,000
Total deferred inflows of resources	16,333,702	-	9,739,303	-	26,073,005
Total liabilities and deferred inflows of resources	18,928,018	229,911	9,739,303	2,872,937	31,770,169
FUND BALANCES					
Nonspendable					
Inventory	1,936	-	-	-	1,936
Prepaid items	259,283	82,626	-	606	342,515
Restricted					
Highways and streets	-	-	-	6,688,899	6,688,899
Public safety - police	-	-	-	334,030	334,030
Public safety - fire	-	-	-	352,417	352,417
Debt service	-	-	184,195	-	184,195
Refuse disposal	-	1,360,019	-	-	1,360,019
Unrestricted					
Assigned					
Capital projects	-	-	-	3,579,214	3,579,214
Unassigned	19,137,752	-	-	-	19,137,752
Total fund balances	19,398,971	1,442,645	184,195	10,955,166	31,980,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 38,326,989	\$ 1,672,556	\$ 9,923,498	\$ 13,828,103	\$ 63,751,146

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 31,980,977
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	63,452,456
Less internal service funds included below	(6,748,340)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	4,346,340
Deferred inflows of resources	(788,153)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	3,373,499
Deferred inflows of resources	(7,615,408)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	5,925,943
Deferred inflows of resources	(4,916,780)
Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	7,360,000
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(105,673)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds payable	(44,500,000)
Loan contracts payable	(170,271)
Installment notes payable	(1,105,000)
Business district limited tax note payable	(32,525,273)
Compensated absences payable	(3,591,958)
Net pension liability - Illinois Municipal Retirement Fund	(6,289,542)
Net pension liability - Police Pension Plan	(43,096,949)
Net pension liability - Firefighters Pension Plan	(38,857,145)
Unamortized bond premiums	(1,284,843)
Unamortized loss on refunding	524,395
Net other postemployment benefits obligation	(1,979,837)
The net position of the internal service funds are included in the governmental activities in the statement of net position	19,736,825
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ (56,874,737)

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	General	Refuse Disposal	Debt Service	Nonmajor	Total
REVENUES					
Property taxes	\$ 16,112,039	\$ -	\$ 2,284,000	\$ -	\$ 18,396,039
Other taxes	7,129,671	-	1,002,092	5,256,335	13,388,098
Licenses, permits, and fees	2,334,232	-	-	1,648,265	3,982,497
Intergovernmental	25,833,177	-	1,621,718	1,744,417	29,199,312
Charges for services	1,527,168	4,283,563	-	-	5,810,731
Fines and forfeits	415,189	-	-	-	415,189
Investment income	132,925	7,124	5,393	51,553	196,995
Other reimbursements	-	-	-	19,824	19,824
Miscellaneous	317,562	27,084	-	247,706	592,352
Total revenues	53,801,963	4,317,771	4,913,203	8,968,100	72,001,037
EXPENDITURES					
Current					
General government	8,311,613	-	-	1,749,291	10,060,904
Public safety	34,166,460	-	-	112,602	34,279,062
Highways and streets	7,613,341	-	-	1,148,795	8,762,136
Health	261,533	4,238,747	-	-	4,500,280
Welfare	1,548,489	-	-	404,566	1,953,055
Culture and recreation	585,907	-	-	-	585,907
Capital outlay	-	-	-	5,786,667	5,786,667
Debt service					
Principal retirement	-	-	3,518,904	-	3,518,904
Interest and fiscal charges	-	-	1,378,256	-	1,378,256
Total expenditures	52,487,343	4,238,747	4,897,160	9,201,921	70,825,171
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,314,620	79,024	16,043	(233,821)	1,175,866
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	4,815,000	4,815,000
Premium on issuance of debt	-	-	-	115,835	115,835
Transfers in	-	-	-	600,000	600,000
Transfers (out)	(600,000)	-	-	-	(600,000)
Total other financing sources (uses)	(600,000)	-	-	5,530,835	4,930,835
NET CHANGE IN FUND BALANCES	714,620	79,024	16,043	5,297,014	6,106,701
FUND BALANCES, JANUARY 1	18,684,351	1,363,621	168,152	5,658,152	25,874,276
FUND BALANCES, DECEMBER 31	\$ 19,398,971	\$ 1,442,645	\$ 184,195	\$ 10,955,166	\$ 31,980,977

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, 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 December 31, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 6,106,701
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	789,055
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,137,386)
Less internal service funds included below	712,880
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures but are recorded as long-term liabilities and deferred outflows and inflows of resources on the government-wide statements	
Issuance of bonds	(4,815,000)
Premium on issuance of bonds	(115,835)
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	
General obligation bonds payable	2,910,000
Loan contracts payable	188,905
Installment notes payable	420,000
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	
Accreted interest on business district limited tax note payable	(758,020)
Amortization of premium	141,065
Amortization of gains and losses on refundings	(61,853)
Increase in compensated absences	(352,924)
Increase in net other postemployment benefits obligation	(540,098)
Change in accrued interest	7,111
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows and inflows of resources is not a source or use of a financial resource	(941,613)
The change in the Police Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	(340,184)
The change in the Firefighters' Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	(1,279,141)
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(1,375,000)
The change in net position of the internal service funds is reported with governmental activities	562,763
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ (2,878,574)

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 7,577,274	\$ 531,623	\$ 8,108,897	\$ 12,210,417
Receivables				
Property taxes	1,515,464	-	1,515,464	-
Accounts - billed	653,381	-	653,381	-
Accounts - unbilled	766,960	-	766,960	-
Accrued interest	4,009	-	4,009	8,160
Other	5,972	-	5,972	24,529
Inventories	358,919	-	358,919	308,233
Prepaid items	16,404	-	16,404	165,697
Due from other governments	771	-	771	10,126
Total current assets	10,899,154	531,623	11,430,777	12,727,162
NONCURRENT ASSETS				
Deposits - insurance	-	-	-	2,190,074
Deposit with joint venture	953,442	-	953,442	-
Subtotal noncurrent assets	953,442	-	953,442	2,190,074
Capital assets				
Capital assets not being depreciated	18,265,295	232,354	18,497,649	1,387,786
Capital assets being depreciated, cost	38,690,885	364,800	39,055,685	13,722,629
Accumulated depreciation	(20,481,763)	(364,800)	(20,846,563)	(8,362,075)
Net capital assets	36,474,417	232,354	36,706,771	6,748,340
Total noncurrent assets	37,427,859	232,354	37,660,213	8,938,414
Total assets	48,327,013	763,977	49,090,990	21,665,576
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,017,311	-	1,017,311	-
Total assets and deferred outflows of resources	49,344,324	763,977	50,108,301	21,665,576
CURRENT LIABILITIES				
Accounts payable	871,106	12,766	883,872	129,451
Accrued payroll	77,630	2,437	80,067	36,837
Retainage payable	15,442	-	15,442	-
Claims payable	-	-	-	1,349,957
Unearned revenue	-	34,275	34,275	-
Other payables	1,877	-	1,877	14,881
Bonds payable, current	125,000	-	125,000	-
Compensated absences payable	46,671	1,180	47,851	31,244
Total current liabilities	1,137,726	50,658	1,188,384	1,562,370

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
LONG-TERM LIABILITIES				
Compensated absences payable	\$ 186,686	\$ 4,720	\$ 191,406	\$ 124,974
Claims payable	-	-	-	189,713
Bonds payable, noncurrent	4,938,964	-	4,938,964	-
Net other postemployment benefits obligation	96,370	3,899	100,269	51,694
Net pension liability - IMRF	1,472,140	-	1,472,140	-
Total long-term liabilities	6,694,160	8,619	6,702,779	366,381
Total liabilities	7,831,886	59,277	7,891,163	1,928,751
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	184,476	-	184,476	-
Total liabilities and deferred inflows of resources	8,016,362	59,277	8,075,639	1,928,751
NET POSITION				
Investment in capital assets	35,533,401	232,354	35,765,755	6,748,340
Unrestricted	5,794,561	472,346	6,266,907	12,988,485
TOTAL NET POSITION	\$ 41,327,962	\$ 704,700	\$ 42,032,662	\$ 19,736,825

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 13,395,619	\$ 343,314	\$ 13,738,933	\$ 10,594,838
Contributions	-	-	-	1,398,673
Miscellaneous	-	-	-	48,275
Total operating revenues	13,395,619	343,314	13,738,933	12,041,786
OPERATING EXPENSES				
Administration and maintenance	13,548,366	229,873	13,778,239	2,651,323
Insurance and claims	-	-	-	8,295,721
Depreciation	681,477	-	681,477	712,880
Total operating expenses	14,229,843	229,873	14,459,716	11,659,924
OPERATING INCOME (LOSS)	(834,224)	113,441	(720,783)	381,862
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	1,514,452	-	1,514,452	-
Investment income	22,453	2,881	25,334	90,183
Interest and fiscal charges	(75,893)	-	(75,893)	-
Other income	92,905	-	92,905	-
Gain (loss) on the sale of capital assets	(2,381)	-	(2,381)	90,718
Total non-operating revenues (expenses)	1,551,536	2,881	1,554,417	180,901
CHANGE IN NET POSITION	717,312	116,322	833,634	562,763
NET POSITION, JANUARY 1	40,610,650	588,378	41,199,028	19,174,062
NET POSITION, DECEMBER 31	\$ 41,327,962	\$ 704,700	\$ 42,032,662	\$ 19,736,825

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 13,291,171	\$ 332,646	\$ 13,623,817	\$ 2,266,508
Receipts from interfund services	-	-	-	9,715,705
Receipts from miscellaneous revenues	128,793	4,003	132,796	62,238
Payments to suppliers	(11,974,496)	(141,823)	(12,116,319)	(9,461,282)
Payments to employees	(2,768,985)	(92,726)	(2,861,711)	(1,210,512)
Net cash from operating activities	(1,323,517)	102,100	(1,221,417)	1,372,657
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	1,514,452	-	1,514,452	-
Net cash from noncapital financing activities	1,514,452	-	1,514,452	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of bonds	4,988,122	-	4,988,122	-
Proceeds from sale of capital assets	-	-	-	97,091
Acquisition of capital assets	(802,052)	-	(802,052)	(2,523,123)
Net cash from capital and related financing activities	4,186,070	-	4,186,070	(2,426,032)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	20,644	2,881	23,525	86,408
Net cash from investing activities	20,644	2,881	23,525	86,408
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,397,649	104,981	4,502,630	(966,967)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,179,625	428,260	3,607,885	13,177,384
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 7,577,274	\$ 533,241	\$ 8,110,515	\$ 12,210,417

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (834,224)	\$ 113,441	\$ (720,783)	\$ 381,862
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	681,477	-	681,477	712,880
Other income	92,905	-	92,905	-
Changes in assets and liabilities				
Receivables	(68,560)	-	(68,560)	(19,950)
Inventories	51,368	-	51,368	(15,172)
Prepaid items	(6,224)	-	(6,224)	(3,667)
Deposits	(71,678)	-	(71,678)	53,948
Accounts payable and retainage payable	(1,415,302)	(8,954)	(1,424,256)	(80,465)
Accrued payroll and compensated absences	13,602	1,272	14,874	17,839
Net other postemployment benefits obligation	12,723	1,388	14,111	8,232
Pension items - IMRF	220,396	-	220,396	-
Unearned revenues	-	(6,665)	(6,665)	-
Claims payable	-	-	-	317,150
NET CASH FROM OPERATING ACTIVITIES	\$ (1,323,517)	\$ 100,482	\$ (1,223,035)	\$ 1,372,657

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

December 31, 2017

	Pension Trust Funds	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ 2,300,683	\$ 1,126,624
Investments		
State and local obligations	2,528,079	-
U.S. Government and U. S. agency obligations	22,824,429	-
Corporate bonds and obligations	20,085,755	-
Real estate	3,183,460	-
Mutual funds	86,146,284	-
Accrued interest receivable	282,361	-
Prepays	2,831	-
Due from other funds	41,918	-
Deposits	-	7,140
	<hr/>	<hr/>
Total assets	137,395,800	\$ 1,133,764
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	55,744	\$ -
Deposits payable	-	1,133,764
Due to other funds	5,654	-
	<hr/>	<hr/>
Total liabilities	61,398	\$ 1,133,764
	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 137,334,402</u>	

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2017

ADDITIONS

Contributions	
Employer	\$ 7,144,659
Plan members	<u>1,938,948</u>
Total contributions	<u>9,083,607</u>
Investment income	
Interest earned	1,404,142
Net change in fair value	17,099,327
Less investment expenses	<u>(213,085)</u>
Net investment income	<u>18,290,384</u>
Total additions	<u>27,373,991</u>

DEDUCTIONS

Administration	99,122
Benefits and refunds	<u>10,261,982</u>
Total deductions	<u>10,361,104</u>

NET INCREASE 17,012,887

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>120,321,515</u>
December 31	<u><u>\$ 137,334,402</u></u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Mount Prospect, Illinois (the Village) was incorporated in 1917. The Village operates under the Council/Manager form of government. The Village's major operations include public works, finance, police, fire, community development, human services, and communications.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. 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 is a municipal corporation governed by an elected mayor and a six-member board of trustees. In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, *The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, and includes all component units that have a significant operational or financial relationship with the Village. There are no component units for which the Village is considered to be financially accountable for.

The Village's financial statements include two pension trust funds.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary, and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. PPERS is reported as a pension trust fund.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The Village's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary, and two elected from active participants of the Firefighters' Pension Fund constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. FPERS is reported as a pension trust fund.

b. Fund Accounting

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

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of capital assets (capital projects funds), and the funds committed, restricted, or assigned for the servicing of 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 to 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 Village (internal service 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 Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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. Interfund services provided and used are not eliminated on 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.

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 contributions 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 accounted for in another fund.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Refuse Disposal Fund is a special revenue fund used to account for the revenues and expenditures associated with providing solid waste collection services. Financing is provided by restricted property taxes, user fees, and recycling income. The Village has elected to present the Refuse Disposal Fund as a major fund.

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

The Village reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities of the water and sewer operations. The Village operates sewerage pumping stations and collection systems, and the water distribution system.

The Village reports the following internal service funds:

Internal Service Funds account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis.

The Computer Replacement Fund accounts for the acquisition of village computer hardware. Financing is being provided by charges to various village funds.

The Risk Management Fund accounts for the servicing and payment of claims for liability, property/casualty coverage, workers' compensation, and medical benefits. Financing is being provided by charges to the various village funds.

The Vehicle Replacement Fund accounts for the acquisition and depreciation of village vehicles. Financing is being provided by charges to the General, Water and Sewer, Parking System Revenue, and Village Parking System Funds.

The Vehicle Maintenance Fund accounts for the maintenance and repair of all village vehicles. Financing is being provided by charges to various village funds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following fiduciary funds:

The Pension Trust Funds account for the Police Pension Fund and Firefighters' Pension Fund.

The agency funds account for the Escrow Deposits and Flexcomp Escrow.

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. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., 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 and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes and telecommunication taxes which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as liabilities or revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of 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.

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

e. Cash and Investments

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

f. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. 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.”

Advances are offset by nonspendable fund balance in applicable governmental funds.

Interfund service transactions 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 are reported as transfers.

h. Inventories

Inventories are valued at cost, which approximates market, using the average cost method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

i. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items. Prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

j. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, stormsewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, buildings and improvements, purchased or acquired with an original cost of over \$20,000 and infrastructure, buildings and improvements with an original cost of over \$50,000 are reported at historical cost, or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are recorded at acquisition value at the date of donation.

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 are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Machinery and equipment	2-20
Vehicles	2-20
Infrastructure	15-50

k. Compensated Absences

Vested or accumulated vacation and sick leave are 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 and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

l. Rebtable Arbitrage

The Village reports rebatable arbitrage as a reduction of revenue. Where applicable, any liability for rebatable arbitrage is reported in the fund in which the excess investment income was recorded.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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, as well as gains (losses) on refundings, 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 expenses at the time of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

n. Property Taxes

Property taxes for 2017 attached as an enforceable lien on January 1, 2017 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2018 and August 1, 2018 and are payable in two installments, on or about March 1, 2018 and September 1, 2018. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience. Since the 2017 levy is intended to fund the 2018 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or that are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Manager through the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance of the General Fund and any deficit in other governmental funds is reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

The Village's policy states that the General Fund should maintain an unrestricted fund balance level between 20% and 30% of the subsequent fiscal year's annual budgeted expenditures, the special revenue funds (except the CDBG Fund) should maintain a fund balance level between 10% and 25% of the subsequent fiscal year's annual budgeted expenditures, not including capital, debt service and transfers, the Debt Service Fund should maintain a fund balance level at a maximum of the amount of the next principal and interest payment due, and the Capital Projects Fund should maintain a fund balance level between 25% and 50% of the five-year average for capital expenditures by the fund to a maximum of \$1 million.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments for which fair valuation is applicable. Refer to Note 12 for relevant information related to the Police Pension Plan and Firefighters' Pension Plan.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). 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 Government 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, Illinois Funds, and Illinois Metropolitan Investment Fund (IMET). The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Village Deposits and Investments (Continued)

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.

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 105% of the fair market value of the funds secured, with the collateral witnessed by a written collateral agreement and held by an independent third party.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure 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. Unless matched to a specific cash flow, maturities should not exceed two years from the date of purchase.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by permitting investments in only those securities allowed under law and by specifically prohibiting investments in leveraged or derivative securities.

The Illinois Public Treasurers’ Investment Pool, known as Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in Illinois Funds by participants is also reported at amortized cost. Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer’s Office issues a separate financial report for Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds, money market mutual funds, and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has too high a percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk. The Village's investment policy states the Village's portfolio shall be diversified in order to limit the investment holdings of a specific issuer or business sector to avoid over concentration in any one institution or area excluding investments in U.S. Treasury securities and authorized investment pools.

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES	
Court fines	\$ 26,918
Mount Prospect Public Library	7,360,000
Grants	648,662
Miscellaneous	48,993
	<hr/>
TOTAL	<u>\$ 8,084,573</u>

The Series 2006 General Obligation Library Refunding Bonds, the Series 2011A General Obligation Refunding Bonds, and the Series 2016 General Obligation Refunding Bonds were issued to provide financing to the Mount Prospect Public Library (the Library). The Library is repaying these bonds issued by the Village. The Series 2006 General Obligation Library Refunding Bonds were refunded by the Series 2016 General Obligation Refunding

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

Bonds during fiscal year 2016. The future principal and interest payments owed from the Library are as follows, with the principal portion recorded as an intergovernmental receivable in the debt service fund/governmental activities.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest
2018	\$ 1,400,000	\$ 176,150
2019	1,425,000	148,150
2020	1,470,000	105,400
2021	1,515,000	61,300
2022	1,550,000	31,000
TOTAL	\$ 7,360,000	\$ 522,000

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended December 31, 2017 was as follows:

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land (including right-of-ways)	\$ 10,291,446	\$ -	\$ -	\$ 10,291,446
Construction in progress	2,110,797	1,198,858	1,015,808	2,293,847
Total capital assets not being depreciated	12,402,243	1,198,858	1,015,808	12,585,293
Capital assets being depreciated				
Buildings	38,009,332	769,166	-	38,778,498
Improvements other than buildings	436,273	-	-	436,273
Vehicles	10,627,558	1,241,958	562,915	11,306,601
Machinery and equipment	3,596,799	554,278	376,995	3,774,082
Infrastructure	85,785,567	608,188	-	86,393,755
Total capital assets being depreciated	138,455,529	3,173,590	939,910	140,689,209
Less accumulated depreciation for				
Buildings	10,302,226	762,546	-	11,064,772
Improvements other than buildings	359,121	21,814	-	380,935
Vehicles	6,869,038	591,154	539,483	6,920,709
Machinery and equipment	2,450,361	216,882	349,592	2,317,651
Infrastructure	66,592,989	2,544,990	-	69,137,979
Total accumulated depreciation	86,573,735	4,137,386	889,075	89,822,046
Total capital assets being depreciated, net	51,881,794	(963,796)	50,835	50,867,163
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 64,284,037	\$ 235,062	\$ 1,066,643	\$ 63,452,456

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 17,551,172	\$ -	\$ -	\$ 17,551,172
Construction in progress	418,164	726,529	198,216	946,477
Total capital assets not being depreciated	17,969,336	726,529	198,216	18,497,649
Capital assets being depreciated				
Buildings and improvements	4,875,816	-	376,008	4,499,808
Machinery and equipment	5,017,968	-	-	5,017,968
Infrastructure	28,893,528	649,695	5,314	29,537,909
Total capital assets being depreciated	38,787,312	649,695	381,322	39,055,685
Less accumulated depreciation for				
Buildings and improvements	2,887,855	67,760	22,693	2,932,922
Machinery and equipment	3,190,989	152,641	-	3,343,630
Infrastructure	14,089,176	483,769	2,934	14,570,011
Total accumulated depreciation	20,168,020	704,170	25,627	20,846,563
Total capital assets being depreciated, net	18,619,292	(54,475)	355,695	18,209,122
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 36,588,628	\$ 672,054	\$ 553,911	\$ 36,706,771

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 403,270
Public safety	384,790
Highways and streets	2,626,858
Health and welfare	2,349
Culture and recreation	7,240
Internal service funds	712,879

TOTAL \$ 4,137,386

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. 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; natural disasters; and injuries to the Village's employees. These risks along with medical claims for employees and retirees are provided for through a limited self-insurance program. The Village is self-insured for the first \$25,000 for property claims, \$2,000,000 for liability claims, \$2,000,000 for errors and omissions, and \$650,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There were no significant changes in insurance coverage from the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. The Village's self-insurance activities are reported in the Risk Management Fund which is an internal service fund.

Premiums are paid into the Risk Management Fund by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2017 was \$1,539,670.

A reconciliation of claims liability for the current year and that of the preceding year follows:

	Auto	Workers' Compensation	General Liability	Total
UNPAID CLAIMS,				
DECEMBER 31, 2015	\$ 1,500	\$ 770,868	\$ 60,600	\$ 832,968
Claims incurred - 2016	114,444	583,114	57,752	755,310
Claims payments - 2016	56,932	282,963	25,863	365,758
UNPAID CLAIMS,				
DECEMBER 31, 2016	59,012	1,071,019	92,489	1,222,520
Claims incurred - 2017	60,817	571,900	327,119	959,836
Claims payments - 2017	104,131	187,990	350,565	642,686
UNPAID CLAIMS,				
DECEMBER 31, 2017	\$ 15,698	\$ 1,454,929	\$ 69,043	\$ 1,539,670

a. High-Level Excess Liability Pool

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities in Illinois to provide excess liability coverage (\$13,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

5. RISK MANAGEMENT (Continued)

a. High-Level Excess Liability Pool (Continued)

HELP was organized on April 1, 1987 with the initial agreement extended to April 30, 2018. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the members and other parties included within the scope of coverage of HELP.

HELP is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each director has an equal vote. The officers of HELP are appointed by the Board of Directors. The Board of Directors determines the general policy of HELP; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of debt by HELP; adopts bylaws, rules, and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

The Village of Elk Grove Village, Illinois (the initial Host Member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for HELP. The bond proceeds were put into escrow. An intergovernmental agreement among HELP, the Village of Elk Grove Village, Illinois, and the members provided that HELP and its members were obligated to the Village of Elk Grove Village, Illinois for payment of principal and interest on the bonds until such bonds were retired. Additionally, each member was liable for its proportionate share of any default by other members. The obligations of HELP and its members are unconditional. The bonds were paid in full as of April 30, 1997.

b. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

b. Intergovernmental Personnel Benefit Cooperative (Continued)

IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$75,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages and underages for the participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Any general obligation bonds issued for proprietary funds are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. General obligation bonds have been issued for general governmental activities and for the Library only. In addition, general obligation bonds have been issued to refund general obligation bonds.

On December 20, 2017, the Village issued General Obligation Bonds, Series 2017 in the amount of \$9,740,000. The proceeds were split into \$4,815,000 used to fund activity in the new Prospect/Main TIF Fund and \$4,925,000 to be used in the Water and Sewer Fund.

b. Installment Notes Payable

The Village enters into installment notes payable to provide funds for acquisition of capital assets. Installment notes payable have been issued for the governmental activities. Installment notes payable are direct obligations and pledge the full faith and credit of the Village.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Business District Limited Tax Note Payable

The Village has issued a note payable related to a developer agreement. The limited tax note payable has been issued for the governmental activities and is a limited obligation of the Village, payable solely from certain tax revenues as set forth in the developer agreement. The developer agreement term will expire upon the earlier to occur of (a) the expiration of the term of any bonds issued by the Village which yield developer proceeds equal to the maximum reimbursement amount, (b) the date which all obligations under this agreement have been discharged, including, but not limited to, payments on any bonds issued by the Village and on the note payable, or (c) 35 years following the issuance of the note payable. After a final accounting is completed and any remaining amounts are paid to the developer, the note payable shall be marked “cancelled” and returned to the Village.

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
\$10,000,000 General Obligation Bonds, Series 2009, due in annual installments of \$200,000 to \$1,955,000, plus interest at 3.005% to 4.500% through December 1, 2028.	Debt Service	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ -
\$3,430,000 General Obligation Refunding Bonds, Series 2009B, due in annual installments of \$230,000 to \$370,000, plus interest at 2.50% to 3.75% through December 1, 2021.	Debt Service	1,720,000	-	320,000	1,400,000	330,000
\$2,650,000 Taxable General Obligation Bonds, Series 2009C, due in annual installments of \$25,000 to \$1,000,000, plus interest at 3.00% to 5.75% through December 1, 2029.	Debt Service	2,530,000	-	75,000	2,455,000	95,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES (Continued)						
\$5,160,000 General Obligation Bonds, Series 2011B, due in annual installments from \$40,000 to \$775,000, plus interest at 2.52% through December 1, 2020.	Debt Service	\$ 2,980,000	\$ -	\$ 715,000	\$ 2,265,000	\$ 735,000
\$2,975,000 General Obligation Bonds, Series 2012C, due in annual installments from \$610,000 to \$865,000, plus interest at 3.10% through December 1, 2022.	Debt Service	1,745,000	-	-	1,745,000	-
\$9,800,000 General Obligation Bonds, Series 2013, due in annual installments of \$555,000 to \$885,000, plus interest at 3.000% to 4.125% through December 1, 2033.	Debt Service	9,800,000	-	-	9,800,000	-
\$6,290,000 General Obligation Bonds, Series 2014, due in annual installments of \$290,000 to \$1,265,000, plus interest at 3% through December 1, 2023.	Debt Service	5,385,000	-	305,000	5,080,000	405,000
\$8,735,000 General Obligation Bonds, Series 2016, due in annual installments of \$1,375,000 to \$1,550,000, plus interest at 2% to 3% through December 1, 2022.	Debt Service	8,735,000	-	1,375,000	7,360,000	1,400,000
\$9,100,000 General Obligation Bonds, Series 2016A, due in annual installments of \$120,000 to \$1,905,000, plus interest at 3% through December 1, 2028.	Debt Service	9,100,000	-	120,000	8,980,000	120,000
\$4,815,000 General Obligation Bonds, Series 2017, due in annual installments of \$140,000 to \$460,000, plus interest at 2.50% to 4.00% through December 1, 2037.	Debt Service	-	4,815,000	-	4,815,000	-
Total bonds		42,595,000	4,815,000	2,910,000	44,500,000	3,085,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
(Continued)						
\$1,203,550 IEPA Flood Loan Contract Payable of 1997 (L17-0855), due in semiannual installments of \$62,285 to \$79,035, plus interest at 2.89% through November 1, 2017.	Debt Service	\$ 79,035	\$ -	\$ 79,035	\$ -	\$ -
\$1,760,422 IEPA Flood Loan Contract Payable of 1999 (L17-1087), due in semiannual installments of \$57,498 to \$112,771, plus interest at 2.625% through June 3, 2019.	Debt Service	280,140	-	109,869	170,271	112,771
Total IEPA flood loan installment notes payable		359,175	-	188,904	170,271	112,771
\$2,500,000 installment note payable of 2012, due in annual installments of \$25,000 to \$590,000, plus interest at 0.91% through December 1, 2019.	Debt Service	1,525,000	-	420,000	1,105,000	515,000
Total installment notes payable		1,525,000	-	420,000	1,105,000	515,000
\$25,000,000 Business District limited tax note payable of 2010, interest at 6.71% due in semiannual installments contingent upon sufficient pledged revenues.	Business District	31,767,253	758,020	-	32,525,273	-
Total Business District limited tax note payable		31,767,253	-	-	32,525,273	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 76,246,428	\$ 5,573,020	\$ 3,518,904	\$ 78,300,544	\$ 3,712,771
BUSINESS-TYPE ACTIVITIES						
\$4,925,000 General Obligation Bonds, Series 2017, due in annual installments of \$125,000 to \$405,000, plus interest at 2.50% to 4.00% through December 1, 2037.	Water	\$ -	\$ 4,925,000	\$ -	\$ 4,925,000	\$ 125,000
TOTAL BUSINESS-TYPE ACTIVITIES		\$ -	\$ 4,925,000	\$ -	\$ 4,925,000	\$ 125,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

The following is a summary of changes in long-term liabilities during 2017:

	Debt Retired by	Balances January 1, as Restated	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
Compensated absences	General	\$ 3,410,968	\$ 1,013,041	\$ 652,183	\$ 3,771,826	\$ 749,634
Claims and judgments	Internal Service	1,222,520	959,835	642,685	1,539,670	1,349,957
Net other postemployment benefit obligation	General	1,483,201	548,330	-	2,031,531	-
General obligation bonds	Debt Service	42,595,000	4,815,000	2,910,000	44,500,000	3,085,000
Unamortized bond premium		1,310,073	115,836	141,066	1,284,843	-
Loan contracts payable	Debt Service	359,175	-	188,904	170,271	112,771
Installment notes payable	Debt Service	1,525,000	-	420,000	1,105,000	515,000
Net pension liability - IMRF	General	6,961,499	-	671,957	6,289,542	-
Net pension liability - Police Pension	General	48,348,979	-	5,252,030	43,096,949	-
Net pension liability - Firefighters' Pension	General	42,652,737	-	3,795,592	38,857,145	-
Business District limited tax note payable	Business District	31,767,253	758,020	-	32,525,273	-
Total governmental activities		181,636,405	8,210,062	14,674,417	175,172,050	5,812,362
BUSINESS-TYPE ACTIVITIES						
General obligation bonds	Water	-	4,925,000	-	4,925,000	125,000
Unamortized bond premium		-	138,964	-	138,964	-
Compensated absences*		243,417	44,523	48,683	239,257	47,851
Net pension liability - IMRF**		1,629,419	-	157,279	1,472,140	-
Net other postemployment benefit obligation*		86,158	14,111	-	100,269	-
Total business-type activities		1,958,994	5,122,598	205,962	6,875,630	172,851
TOTAL		\$ 183,595,399	\$ 13,332,660	\$ 14,880,379	\$ 182,047,680	\$ 5,985,213

Compensated absences, net pension liabilities, and the net other postemployment benefit obligation of the governmental activities are primarily liquidated by the General Fund.

*Compensated absences, net pension liabilities, and the net other postemployment benefit obligation are retired by the Water and Sewer, Parking System Revenue, and Village Parking System Funds.

**The IMRF net pension liability is retired by the Water and Sewer Fund.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds		Loan Contracts Payable		Installment Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 3,085,000	\$ 1,433,368	\$ 112,771	\$ 3,735	\$ 515,000	\$ 10,056
2019	3,200,000	1,363,682	57,500	754	590,000	5,369
2020	4,060,000	1,267,076	-	-	-	-
2021	4,580,000	1,143,916	-	-	-	-
2022	4,800,000	1,013,911	-	-	-	-
2023	2,995,000	873,475	-	-	-	-
2024	2,470,000	773,125	-	-	-	-
2025	2,590,000	684,925	-	-	-	-
2026	2,690,000	598,725	-	-	-	-
2027	2,780,000	511,275	-	-	-	-
2028	2,890,000	422,050	-	-	-	-
2029	2,030,000	329,007	-	-	-	-
2030	1,080,000	233,682	-	-	-	-
2031	1,130,000	193,745	-	-	-	-
2032	1,185,000	148,545	-	-	-	-
2033	1,245,000	101,145	-	-	-	-
2034	385,000	53,388	-	-	-	-
2035	410,000	41,356	-	-	-	-
2036	435,000	28,544	-	-	-	-
2037	460,000	14,950	-	-	-	-
TOTAL	\$ 44,500,000	\$ 11,229,890	\$ 170,271	\$ 4,489	\$ 1,105,000	\$ 15,425

The repayment of the business district limited tax note payable is based on incremental tax revenue received. As such, there is no debt service to maturity schedule.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Business-Type Activities	
	General Obligation Bonds	
	Principal	Interest
2018	\$ 125,000	\$ 157,363
2019	125,000	161,131
2020	140,000	156,131
2021	150,000	150,531
2022	160,000	144,531
2023	175,000	138,131
2024	190,000	131,131
2025	205,000	123,531
2026	220,000	115,331
2027	230,000	108,731
2028	245,000	102,981
2029	260,000	96,550
2030	275,000	89,400
2031	290,000	81,494
2032	305,000	69,894
2033	330,000	57,694
2034	345,000	47,381
2035	365,000	36,600
2036	385,000	25,194
2037	405,000	13,163
TOTAL	\$ 4,925,000	\$ 2,006,893

f. Legal Debt Margin

The Village is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property . . . (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: . . . indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum . . . shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. CONTRACTUAL COMMITMENTS

a. High-Level Excess Liability Pool

The Village has committed to purchase excess liability insurance from HELP, a public entity risk pool for certain Illinois municipalities through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage.

Future premiums will be calculated using the Village's allocation percentage. HELP's agreement provides that each year members will be assessed based on a formula utilizing miles of streets, number of vehicles, operating revenues, and full-time equivalent employees. The Village paid \$129,988 to HELP in 2017. For 2018, the Village estimates it will pay \$43,286.

b. Solid Waste Agency of Northern Cook County

Annual payments to Solid Waste Agency of Northern Cook County (SWANCC) are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For 2018, the Village estimates it will pay SWANCC \$1,013,707, with annual increases ranging from 0% to 3% through 2022.

8. INTERFUND ACTIVITY

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Street Improvement Construction	\$ 87,192
Fiduciary		
Police Pension	General	5,654
Firefighters' Pension	General	41,918
TOTAL		\$ 134,764

The purpose of the significant interfund receivables/payables are as follows:

- \$87,192 due to the General Fund from the Street Improvement Fund. The balance represents a short-term operating loan.
- \$5,654 due to the General Fund from the Police Pension Fund for property tax refunds issued by the county.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ACTIVITY (Continued)

Due From/To Other Funds (Continued)

- \$41,918 due to the Firefighters' Pension Fund from the General Fund for 2017 tax collections received in January and February 2018.

Transfers

The purpose of significant transfers from/to between funds are as follows:

- \$600,000 transferred to the Capital Improvement Fund from the General Fund for capital projects.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

10. JOINT VENTURES

a. Solid Waste Agency of Northern Cook County

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members.

10. JOINT VENTURES (Continued)

a. Solid Waste Agency of Northern Cook County (Continued)

SWANCC is governed by a board of directors which consists of the mayor or president from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County administrative office at 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090 or online at www.swancc.org.

SWANCC's outstanding bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not the debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges, and all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling \$904,291 to SWANCC in 2017. The payments have been recorded in the Refuse Disposal Fund. The Village does not have an equity interest in SWANCC at December 31, 2017.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. JOINT VENTURES (Continued)

b. Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

The Village is a member of Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate, and maintain a water supply system to serve its members and other potential water purchasers.

The seven members of JAWA and their percentage shares as of April 30, 2017 are as follows:

	Percent Share
Village of Elk Grove Village	17.66%
Village of Hanover Park	8.79%
Village of Hoffman Estates	16.19%
Village of Mount Prospect	12.12%
City of Rolling Meadows	7.42%
Village of Schaumburg	27.12%
Village of Streamwood	10.70%
TOTAL	100.00%

These percentage shares are based upon formulae contained in the water supply agreement and are subject to change in future years based upon consumption by the municipalities.

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consist of one elected official from each member municipality. Each director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. JOINT VENTURES (Continued)

b. Northwest Suburban Municipal Joint Action Water Agency (Continued)

Description of Joint Venture (Continued)

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges, and all rates, rents, and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

JAWA has entered into water supply agreements with the seven-member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2020.

The obligation of the Village to make all payments as required by this agreement is unconditional and irrevocable, without regard to performance or nonperformance by JAWA of its obligations under this agreement.

The payments required to be made by the Village under this agreement shall be required to be made solely from revenues to be derived by the Village from the operation of the Water and Sewer System. Members are not prohibited by the agreement; however, from using other available funds to make payments under the agreement. This agreement shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

The obligation of the Village to make payments required by this agreement is payable from the Village’s Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$6,541,119 to JAWA for 2017. Deposits with JAWA in the amount of \$953,442 represent amounts held for security for debt service.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement).

To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both. All healthcare benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the Plan. For the fiscal year ended December 31, 2017, retirees contributed \$753,141.

c. Membership

At December 31, 2017 membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	80
Active employees	<u>294</u>
TOTAL	<u><u>374</u></u>
Participating employers	<u><u>1</u></u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2017 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 682,426	\$ 362,130	53.07%	\$ 1,243,267
2016	688,222	362,130	52.62%	1,569,359
2017	917,839	355,398	38.72%	2,131,800

The net OPEB obligation as of December 31, 2017 was calculated as follows:

Annual required contribution	\$ 913,356
Interest on net OPEB obligation	54,928
Adjustment to annual required contribution	<u>(50,445)</u>
Annual OPEB cost	917,839
Contributions made	<u>(355,398)</u>
Increase in net OPEB obligation	562,441
Net OPEB obligation, beginning of year	<u>1,569,359</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 2,131,800</u></u>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of December 31, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 12,560,127
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	12,560,127
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 25,199,376
UAAL as a percentage of covered payroll	49.84%

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2017 actuarial valuation (latest information available), the entry-age normal actuarial cost method was used. The actuarial assumptions included a 3.50% investment rate of return and an initial healthcare cost trend rate of 9.00% with an ultimate healthcare inflation rate of 5.00%. Both rates include a 3.00% inflation assumption and 4.00% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 1, 2017 was 30 years.

12. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. None 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 or at imrf.org.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. For financial reporting purposes, the Village and Library participate in IMRF as a cost-sharing multiple-employer pension plan. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2017 was 11.53%.

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive plan members currently receiving benefits	232
Inactive plan members entitled to but not yet receiving benefits	162
Active plan members	254
 TOTAL	 648

The IMRF data included in the table above includes membership of both the Village and the Library.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2016 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Asset valuation method	Market value of assets
Assumptions	
Price inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.50%
Cost of living adjustments - Tier 1	3.00%
Cost of living adjustments - Tier 2	3.00% or ½ of the increase in the Consumer Price Index, whichever is less

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 91,989,499	\$ 80,242,038	\$ 11,747,461
Changes for the period			
Service cost	1,768,746	-	1,768,746
Interest	6,803,558	-	6,803,558
Difference between expected and actual experience	(756,505)	-	(756,505)
Changes in assumptions	(232,520)	-	(232,520)
Employer contributions	-	2,031,571	(2,031,571)
Employee contributions	-	745,535	(745,535)
Net investment income	-	5,536,369	(5,536,369)
Benefit payments and refunds	(3,834,437)	(3,834,437)	-
Other (net transfer)	-	403,724	(403,724)
Net changes	3,748,842	4,882,762	(1,133,920)
BALANCES AT DECEMBER 31, 2016	\$ 95,738,341	\$ 85,124,800	\$ 10,613,541

There were changes in assumptions made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016 is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015 was 7.48%.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

The table presented on the previous page includes amounts for both the Village and the Library. The Village's collective shares of the net pension liability at January 1, 2016, the employer contributions, and the net pension liability at December 31, 2016 were \$8,590,918, \$1,453,487, and \$7,761,683, respectively. The Library's collective shares of the net pension liability at January 1, 2016, the employer contributions, and the net pension liability at December 31, 2016 were \$3,156,543, \$534,295, and \$2,851,858, respectively.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the Village recognized pension expense of \$2,615,497.

At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 417,521	\$ 1,157,679
Changes in assumptions	880,404	172,381
Employer contributions after the measurement date	1,856,899	-
Net difference between projected and actual earnings on pension plan investments	<u>4,179,715</u>	<u>-</u>
TOTAL	<u><u>\$ 7,334,539</u></u>	<u><u>\$ 1,330,060</u></u>

The net deferred outflows and inflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the net deferred outflows and inflows of resources at December 31, 2017 was \$4,391,022. The Library's proportionate share of the deferred outflows and inflows of resources at December 31, 2017 was \$1,613,457. The Village and the Library contributed an additional \$1,343,240 and \$513,659, respectively, to the plan subsequent to the measurement date of December 31, 2016 which are included in deferred outflows of resources as of December 31, 2017.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$1,343,240 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending December 31,</u>	
2018	\$ 1,506,785
2019	730,425
2020	729,034
2021	<u>81,538</u>
 TOTAL	 <u>\$ 3,047,782</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (Village)	\$ 16,937,655	\$ 7,761,683	\$ 234,683
Net pension liability (Library)	<u>6,223,367</u>	<u>2,851,858</u>	<u>86,229</u>
 Net pension liability (Total)	 <u>\$ 23,161,022</u>	 <u>\$ 10,613,541</u>	 <u>\$ 320,912</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

The plan is governed by a five-member pension board. Two members are appointed by the Village's President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

Plan Membership

At December 31, 2017, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	73
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>81</u>
 TOTAL	 <u><u>162</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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% 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% of the original pension and 3% compounded annually thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

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. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has decided to fund 100% of the past service cost by 2040. For the year ended December 31, 2017, the Village's contribution was 44.86% of covered payroll. The Village utilizes the entry-age normal actuarial cost method to fund the plan.

Investment Policy

The Police Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. 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

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes.

It is the policy of the 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 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, risk aversion, rate of return, and liquidity.

The Fund’s investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	45.00%	1.60%
Large Cap Domestic Equities	38.50%	6.80%
Small Cap Domestic Equities	11.00%	8.70%
International Equities	5.50%	6.60%

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Asset class returns and risk premium data are from *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar* for the period December 31, 1925 through December 31, 2017. The International Equity equals the MSCI EAFE Index for the period December 31, 1977 through December 31, 2017. The long-term expected real rates of return are net of inflation and investment expense. Long-term returns for the asset classes are calculated on a geometric mean basis.

Investment Valuations

All investments are stated at fair value at December 31, 2017. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment Concentrations

Concentration of credit risk is the risk that the Fund has a high percentage of its investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Fund's portfolio at any time. In addition, the following allocations are desired: depository accounts and money market mutual funds at 1% to 5%, fixed income securities at 40% to 44%, and equity securities at 55%.

At December 31, 2017, there were no significant investments (other than United States Government guaranteed obligations or mutual funds) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 3,999,032	\$ 448,088	\$ 1,712,996	\$ 1,738,165	\$ 99,783
U.S. agencies	6,513,197	11,686	254,091	1,045,917	5,201,503
State, local, and municipal bonds	2,046,737	49,537	246,273	105,200	1,645,727
Corporate bonds	10,620,264	698,111	6,609,650	3,138,845	173,658
TOTAL	\$ 23,179,230	\$ 1,207,422	\$ 8,823,010	\$ 6,028,127	\$ 7,120,671

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the 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 with a minimum return of 7% desired during a market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

The Fund has the following recurring fair value measurements as of December 31, 2017: the U.S. Treasury obligations and mutual funds were valued using quoted prices in active markets for identical assets (Level 1 inputs) and U.S. agency obligations; state, local, and municipal obligations, and corporate bond obligations were valued using quoted matrix pricing models (Level 2 inputs).

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The U.S. Treasuries and agencies, money market mutual funds, and Illinois Funds are rated AAA. The state, local, and municipal bonds are rated AAA. The corporate bonds are rated BAA3 to AAA.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian and evidenced by safekeeping receipts. Illinois Funds and money market mutual funds are not subject to custodial credit risk.

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2017 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 110,325,665	\$ 61,976,686	\$ 48,348,979
Changes for the period			
Service cost	1,557,284	-	1,557,284
Interest	7,951,856	-	7,951,856
Difference between expected and actual experience	(1,650,048)	-	(1,650,048)
Changes in assumptions	385,618	-	385,618
Employer contributions	-	3,747,825	(3,747,825)
Employee contributions	-	830,240	(830,240)
Net investment income	-	8,967,014	(8,967,014)
Benefit payments and refunds	(4,404,364)	(4,404,364)	-
Administrative expense	-	(48,339)	48,339
Net changes	3,840,346	9,092,376	(5,252,030)
BALANCES AT DECEMBER 31, 2017	\$ 114,166,011	\$ 71,069,062	\$ 43,096,949

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Pension Liability (Continued)

There was also a change in assumption made since the prior measurement date to reflect revised expectations with respect to mortality rates.

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00%
Discount rate	7.25%
Cost of living adjustments - Tier 1	3.00%
Cost of living adjustments - Tier 2	1.25%
Asset valuation method	Market value of assets

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy individuals were based on the RP-2014 Mortality Table with a blue collar adjustment, projected from 2006 to 2018 using Scale MP-2016. Mortality rates for disabled individuals were based on the RP-2000 Disabled Mortality Table, projected from 2006 to 2018 using Scale MP-2016. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Interest Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 56,340,206	\$ 43,096,949	\$ 31,230,231

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the Village recognized police pension expense of \$4,088,009.

At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 39,385	\$ 4,842,422
Changes in assumptions	3,334,114	-
Net difference between projected and actual earnings on pension plan investments	-	2,772,986
TOTAL	\$ 3,373,499	\$ 7,615,408

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ (141,376)
2019	(141,375)
2020	(1,782,000)
2021	(1,966,418)
2022	(210,740)
TOTAL	\$ (4,241,909)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member pension board. Two members are appointed by the Village's President, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

Plan Membership

At December 31, 2017, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	88
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	73
 TOTAL	 161

Firefighters' Pension Plan

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 at the date of retirement. 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% of such salary. Employees with at least ten 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 covered employee 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% of the original pension and 3% compounded annually thereafter.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded annually. 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fully fund the past service costs for the Firefighters' Pension Plan. However, the Village has decided to fund 100% of the past service cost by 2040. For the year ended December 31, 2017, the Village's contribution was 46.63% of covered payroll. The Village utilizes the entry-age normal actuarial cost method to fund the plan.

Investment Policy

The Firefighters' Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. 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

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

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, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes.

It is the policy of the Fund 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 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, risk aversion, liquidity, and return on investment.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Fixed Income	35%	2.50%
U.S. Equities	40%	7.50%
International Equities	16%	8.50%
Real Estate	9%	4.50%

The long-term expected real rate of return is based on an arithmetic calculation that uses the GASB building block method. The arithmetic calculation was developed through an evaluation process overseen by the Andco Consulting Investment Policy Committee.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Valuations

All investments are stated at fair value at December 31, 2017. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Concentrations

Concentration of credit risk is the risk that the Fund has a high percentage of its investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians and fixed income investment managers of the Fund, shall hold more than 10% of the Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Fund's portfolio at any time. In addition, the following allocations are desired: depository accounts and money market mutual funds at 1% to 5%, fixed income securities at 50% to 54%, and 55% in equity securities.

At December 31, 2017, there were no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk - Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund'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, with the collateral held by the an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 3,530,576	\$ 298,933	\$ 1,431,962	\$ 1,799,681	\$ -
U.S. agencies	8,781,624	537	741,800	1,419,658	6,619,629
State, local and municipal bonds	481,342	50,000	272,139	159,203	-
Corporate bonds	9,465,491	363,414	6,068,752	2,935,921	97,404
TOTAL	\$ 22,259,033	\$ 712,884	\$ 8,514,653	\$ 6,314,463	\$ 6,717,033

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the 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 with a minimum return of 7% desired during a market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

The Fund has the following recurring fair value measurements as of December 31, 2017: the U.S. Treasury obligations and mutual funds were valued using quoted prices in active markets for identical assets (Level 1 inputs); and U.S. agency obligations, state, local, and municipal obligations, corporate bond obligations, and investments in real estate pools were valued using quoted matrix pricing models (Level 2 inputs).

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The U.S. Treasuries and agencies, money market mutual funds, and Illinois Funds are rated AAA. The state, local, and municipal bonds are rated AA2 to AAA. The corporate bonds are rated Ba1 to AAA.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian and evidenced by safekeeping receipts. Illinois Funds and money market mutual funds are not subject to custodial credit risk.

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of December 31, 2017 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 100,997,566	\$ 58,344,829	\$ 42,652,737
Changes for the period			
Service cost	1,426,033	-	1,426,033
Interest	7,228,968	-	7,228,968
Difference between expected and actual experience	1,470,077	-	1,470,077
Changes in assumptions	(572,774)	-	(572,774)
Employer contributions	-	3,396,834	(3,396,834)
Employee contributions	-	678,476	(678,476)
Net investment income	-	9,323,369	(9,323,369)
Benefit payments and refunds	(5,427,385)	(5,427,385)	-
Administrative expense	-	(50,783)	50,783
Net changes	4,124,919	7,920,511	(3,795,592)
BALANCES AT DECEMBER 31, 2017	\$ 105,122,485	\$ 66,265,340	\$ 38,857,145

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Net Pension Liability (Continued)

There was also a change in assumption made since the prior measurement date to reflect revised expectations with respect to mortality rates.

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00%
Discount rate	7.25%
Cost of living adjustments - Tier 1	3.00%
Cost of living adjustments - Tier 2	1.25%
Asset valuation method	Market value of assets

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy individuals were based on the RP-2014 Mortality Table with a blue collar adjustment, projected from 2006 to 2018 using Scale MP-2016. Mortality rates for disabled individuals were based on the RP-2004 Disabled Mortality Table, projected from 2006 to 2018 using Scale MP-2016. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Interest Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 51,471,843	\$ 38,857,145	\$ 27,594,022

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the Village recognized firefighter's pension expense of \$4,675,975.

At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighter's pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,019,460	\$ 1,065,019
Changes in assumptions	3,906,483	490,949
Net difference between projected and actual earnings on pension plan investments	-	3,360,812
TOTAL	\$ 5,925,943	\$ 4,916,780

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighter's pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 827,814
2019	827,815
2020	310,446
2021	(1,056,974)
2022	(28,125)
Thereafter	128,187
TOTAL	\$ 1,009,163

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

Statement of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,232,315	\$ 1,068,368	\$ 2,300,683
Investments			
State and local obligations	2,046,737	481,342	2,528,079
U.S. Government and U.S. agency obligations	10,512,229	12,312,200	22,824,429
Corporate bonds and obligations	10,620,264	9,465,491	20,085,755
Real estate	-	3,183,460	3,183,460
Mutual funds	46,550,389	39,595,895	86,146,284
Accrued interest receivable	150,155	132,206	282,361
Due from other funds	-	41,918	41,918
Prepays	1,162	1,669	2,831
Total assets	71,113,251	66,282,549	137,395,800
LIABILITIES			
Accounts payable	38,535	17,209	55,744
Due to other funds	5,654	-	5,654
Total liabilities	44,189	17,209	61,398
NET POSITION	\$ 71,069,062	\$ 66,265,340	\$ 137,334,402

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Fiduciary Funds Summary Financial Information (Continued)

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,747,825	\$ 3,396,834	\$ 7,144,659
Employee	1,260,472	678,476	1,938,948
Total contributions	5,008,297	4,075,310	9,083,607
Invest income			
Net appreciation in fair value of investments	8,325,232	8,774,095	17,099,327
Interest income	763,695	640,447	1,404,142
Less investment expense	(121,912)	(91,173)	(213,085)
Net investment income	8,967,015	9,323,369	18,290,384
Total additions	13,975,312	13,398,679	27,373,991
DEDUCTIONS			
Administrative	48,339	50,783	99,122
Pension benefits and refunds	4,834,597	5,427,385	10,261,982
Total deductions	4,882,936	5,478,168	10,361,104
NET INCREASE	9,092,376	7,920,511	17,012,887
NET POSITION RESTRICTED FOR PENSIONS			
January 1	61,976,686	58,344,829	120,321,515
December 31	\$ 71,069,062	\$ 66,265,340	\$ 137,334,402

13. SUBSEQUENT EVENTS

On May 1, 2018, the Village issued General Obligation Bonds, Series 2018A, in the amount of \$12,100,000. A portion of the proceeds will fund infrastructure projects in the Village's water and sewer utility system. The balance of the bond proceeds from the issue will be used to fund land acquisition related to relocation and construction of a new Police Department Headquarters, Fire Department Headquarters and for capitalized interest.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 16,278,000	\$ 16,278,000	\$ 16,112,039
Other taxes	7,383,000	7,524,500	7,129,671
Licenses, permits, and fees	2,281,000	2,347,000	2,334,232
Intergovernmental	25,008,040	25,426,540	25,833,177
Charges for services	1,582,955	1,582,955	1,527,168
Fines and forfeits	452,000	452,000	415,189
Investment income	43,000	151,000	132,925
Miscellaneous	303,600	908,100	317,562
Total revenues	53,331,595	54,670,095	53,801,963
EXPENDITURES			
General government	7,881,577	8,509,156	8,311,613
Public safety	34,092,239	34,668,333	34,166,460
Highways and streets	8,282,369	8,282,369	7,613,341
Health	248,627	248,627	261,533
Welfare	1,591,611	1,613,704	1,548,489
Culture and recreation	635,172	635,172	585,907
Total expenditures	52,731,595	53,957,361	52,487,343
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(600,000)	(600,000)	(600,000)
Total other financing sources (uses)	(600,000)	(600,000)	(600,000)
NET CHANGE IN FUND BALANCE	\$ -	\$ 112,734	714,620
FUND BALANCE, JANUARY 1			18,684,351
FUND BALANCE, DECEMBER 31			\$ 19,398,971

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REFUSE DISPOSAL FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services	\$ 4,597,000	\$ 4,597,000	\$ 4,283,563
Investment income	2,000	2,000	7,124
Miscellaneous	11,000	11,000	27,084
	<hr/>		
Total revenues	4,610,000	4,610,000	4,317,771
<hr/>			
EXPENDITURES			
Health			
Refuse disposal division			
Personal services	256,271	256,271	248,932
Employee benefits	113,666	113,666	115,363
Other employee costs	1,298	1,298	1,199
Contractual services	4,078,062	4,078,062	3,804,784
Utilities	465	465	303
Insurance	29,528	29,528	29,528
Commodities and supplies	39,975	39,975	38,638
	<hr/>		
Total expenditures	4,519,265	4,519,265	4,238,747
<hr/>			
NET CHANGE IN FUND BALANCE	\$ 90,735	\$ 90,735	79,024
<hr/>			
FUND BALANCE, JANUARY 1			1,363,621
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,442,645
			<hr/> <hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Six Fiscal Years

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 7,201,300	0.00%	\$ 7,201,300	\$ 24,540,441	29.34%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	10,485,116	0.00%	10,485,116	27,084,313	38.71%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	-	12,560,127	0.00%	12,560,127	25,199,376	49.84%

N/A - Information not available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017
Actuarially determined contribution	\$ 1,362,420	\$ 1,453,487	\$ 1,432,869
Contributions in relation to the actuarially determined contribution	<u>1,362,420</u>	<u>1,453,487</u>	<u>1,432,869</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 11,923,390	\$ 12,119,270	\$ 12,425,097
Contributions as a percentage of covered-employee payroll	11.43%	11.99%	11.53%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 1,408,423	\$ 1,515,672	\$ 2,208,174	\$ 2,467,527	\$ 2,484,859	\$ 2,631,811	\$ 2,922,979	\$ 2,909,868	\$ 3,204,363	\$ 3,817,579
Contributions in relation to the actuarially determined contribution	1,420,452	1,565,009	2,210,670	2,504,701	2,511,349	2,631,038	2,924,226	2,918,395	3,232,887	3,747,825
CONTRIBUTION DEFICIENCY (Excess)	\$ (12,029)	\$ (49,337)	\$ (2,496)	\$ (37,174)	\$ (26,490)	\$ 773	\$ (1,247)	\$ (8,527)	\$ (28,524)	\$ 69,754
Covered-employee payroll	\$ 7,142,505	\$ 7,421,123	\$ 7,183,594	\$ 7,591,498	\$ 7,871,917	\$ 8,121,622	\$ 7,848,795	\$ 8,049,995	\$ 8,276,985	\$ 8,354,290
Contributions as a percentage of covered-employee payroll	19.89%	21.09%	30.77%	32.99%	31.90%	32.40%	37.26%	36.25%	39.06%	44.86%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was closed level percentage of pay; the amortization period was 23 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an interest rate of 7.25%, annually, net of investment and administrative expenses; inflation of 2.50% annually; projected salary increases of 4.00% annually; and annual postretirement benefit increases of 3.00% for Tier 1 members and 1.25% for Tier 2 members.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 1,389,833	\$ 1,414,110	\$ 1,925,375	\$ 2,140,664	\$ 2,224,122	\$ 2,323,609	\$ 2,468,554	\$ 2,526,101	\$ 2,589,599	\$ 3,206,186
Contributions in relation to the actuarially determined contribution	1,417,935	1,538,564	1,928,807	2,155,975	2,260,834	2,371,347	2,466,165	2,532,316	2,806,983	3,396,834
CONTRIBUTION DEFICIENCY (Excess)	\$ (28,102)	\$ (124,454)	\$ (3,432)	\$ (15,311)	\$ (36,712)	\$ (47,738)	\$ 2,389	\$ (6,215)	\$ (217,384)	\$ (190,648)
Covered-employee payroll	\$ 5,862,887	\$ 6,181,788	\$ 5,896,317	\$ 6,201,120	\$ 6,150,974	\$ 6,436,911	\$ 6,495,510	\$ 6,441,588	\$ 6,981,704	\$ 7,284,199
Contributions as a percentage of covered-employee payroll	24.18%	24.89%	32.71%	34.77%	36.76%	36.84%	37.97%	39.31%	40.20%	46.63%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was closed level percentage of pay; the amortization period was 23 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an interest rate of 7.25%, annually, net of investment and administrative expenses; inflation of 2.50% annually; projected salary increases of 4.00% annually; and annual postretirement benefit increases of 3.00% for Tier 1 members and 1.25% for Tier 2 members.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN**

December 31, 2017

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2012	\$ 609,856	\$ 442,722	137.75%
2013	275,814	582,335	47.36%
2014	287,447	605,628	47.46%
2015	362,130	679,933	53.26%
2016	362,130	679,933	53.26%
2017	355,398	913,356	38.91%

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF THE VILLAGE'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016
Employer's proportion of net pension liability	73.13%	73.13%	73.13%
Employer's proportionate share of net pension liability	\$ 5,212,280	\$ 8,590,918	\$ 7,761,683
Employer's covered-employee payroll	11,890,055	11,923,390	12,115,732
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	43.84%	72.05%	64.06%
Plan fiduciary net position as a percentage of the total pension liability	91.93%	87.23%	88.91%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 1,890,407	\$ 1,777,310	\$ 1,732,924	\$ 1,557,284
Investment income	6,479,504	7,210,826	8,221,483	7,951,856
Differences between expected and actual experience	860,183	95,650	(5,201,074)	(1,650,048)
Changes of assumptions	4,844,398	7,268,193	29,971	385,618
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)	(4,688,978)	(4,404,364)
Net change in total pension liability	9,957,372	11,822,017	94,326	3,840,346
Total pension liability - beginning	88,451,950	98,409,322	110,231,339	110,325,665
TOTAL PENSION LIABILITY - ENDING	\$ 98,409,322	\$ 110,231,339	\$ 110,325,665	\$ 114,166,011
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 2,924,226	\$ 2,918,395	\$ 3,232,887	\$ 3,747,825
Contributions - member	851,363	795,827	815,684	830,240
Net investment income	3,845,862	545,802	4,161,658	8,967,014
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)	(4,688,978)	(4,404,364)
Administrative expense	(60,382)	(49,947)	(44,605)	(48,339)
Net change in plan fiduciary net position	3,443,949	(319,885)	3,476,646	9,092,376
Plan fiduciary net position - beginning	55,375,976	58,819,925	58,500,040	61,976,686
PLAN FIDUCIARY NET POSITION - ENDING	\$ 58,819,925	\$ 58,500,040	\$ 61,976,686	\$ 71,069,062
EMPLOYER'S NET PENSION LIABILITY	\$ 39,589,397	\$ 51,731,299	\$ 48,348,979	\$ 43,096,949
Plan fiduciary net position as a percentage of the total pension liability	59.77%	53.07%	56.18%	62.25%
Covered-employee payroll	\$ 7,848,795	\$ 8,049,995	\$ 8,276,985	\$ 8,354,290
Employer's net pension liability as a percentage of covered-employee payroll	504.40%	642.60%	584.10%	515.90%
Notes to Required Supplementary Information				

Year Ended December 31, 2017 - There were changes in assumptions related to the mortality rates from December 31, 2016.

Year Ended December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.50%. There was also a change in assumption related to the projected rate for annual pay increases made since the prior measurement date. The projected rate for annual pay increases used in the current actuarial valuation, dated December 31, 2016, is 4.00%. The projected rate for annual pay increases used in the prior actuarial valuation, dated December 31, 2015, was 5.00%. There was also a change in assumption made since the prior measurement date to reflect revised expectations with respect to mortality rates.

Year Ended December 31, 2015 - There was a change with respect to the actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, turnover rates, and retirement rates.

Year Ended December 31, 2014 - There was a change with respect to the actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, turnover rates, and retirement rates.

* The Village reported portability contributions as employee contributions in the basic financial statements, whereas the actuary has included these amounts as part of the other components of changes in plan fiduciary net position.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 1,673,836	\$ 1,515,101	\$ 1,429,810	\$ 1,426,033
Investment income	5,780,241	6,270,507	7,296,444	7,228,968
Differences between expected and actual experience	225,575	1,603,162	(1,491,027)	1,470,077
Changes of assumptions	3,234,155	7,648,623	396,832	(572,774)
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)	(4,981,207)	(5,427,385)
Net change in total pension liability	6,754,819	12,442,517	2,650,852	4,124,919
Total pension liability - beginning	79,149,378	85,904,197	98,346,714	100,997,566
TOTAL PENSION LIABILITY - ENDING	\$ 85,904,197	\$ 98,346,714	\$ 100,997,566	\$ 105,122,485
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 2,466,165	\$ 2,532,317	\$ 2,806,983	\$ 3,396,834
Contributions - member	644,384	606,932	668,070	678,476
Net investment income	3,963,252	1,806,126	3,049,538	9,323,369
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)	(4,981,207)	(5,427,385)
Administrative expense	(62,889)	(62,136)	(55,257)	(50,783)
Net change in plan fiduciary net position	2,851,924	288,363	1,488,127	7,920,511
Plan fiduciary net position - beginning	53,716,415	56,568,339	56,856,702	58,344,829
PLAN FIDUCIARY NET POSITION - ENDING	\$ 56,568,339	\$ 56,856,702	\$ 58,344,829	\$ 66,265,340
EMPLOYER'S NET PENSION LIABILITY	\$ 29,335,858	\$ 41,490,012	\$ 42,652,737	\$ 38,857,145
Plan fiduciary net position as a percentage of the total pension liability	65.85%	57.81%	57.77%	63.04%
Covered-employee payroll	\$ 6,495,510	\$ 6,441,588	\$ 6,981,704	\$ 7,284,199
Employer's net pension liability as a percentage of covered-employee payroll	451.60%	644.10%	610.90%	533.40%

Notes to Required Supplementary Information

Year Ended December 31, 2017 - There were changes in assumptions related to the mortality rates from December 31, 2016.

Year Ended December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.50%. There was also a change in assumption related to the projected rate for annual pay increases made since the prior measurement date. The projected rate for annual pay increases used in the current actuarial valuation, dated December 31, 2016, is 4.00%. The projected rate for annual pay increases used in the prior actuarial valuation, dated December 31, 2015, was 5.00%. There was also a change in assumption made since the prior measurement date to reflect revised expectations with respect to mortality rates.

Year Ended December 31, 2015 - There was a change with respect to the actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, turnover rates, and retirement rates.

Year Ended December 31, 2014 - There was a change with respect to the actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, turnover rates, and retirement rates.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	6.92%	0.92%	7.15%	14.29%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense	7.60%	3.38%	5.58%	16.49%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

BUDGETS

- a. All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Pension Trust Funds. All annual appropriations lapse at fiscal year end.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, budget amendments were approved by the Village Board of Trustees. The budget figures included in this report reflect all budget amendments made during the year.

- b. Excess of Actual Expenditures over Budget in Individual Funds

The following individual funds exceeded the budgets/appropriations in the following amounts:

Fund	Actual Expenditures/ Expenses	Final Budget/ Appropriation
Risk Management Fund	\$ 8,752,275	\$ 8,441,820

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - to account for all financial resources of the general government, except those accounted for in another fund.

SPECIAL REVENUE FUND

The Refuse Disposal Fund - to account for the revenues and expenditures associated with providing solid waste collection services. Financing is provided by user fees and recycling income. The Village has elected to present the Refuse Disposal Fund as a major fund.

DEBT SERVICE FUND

Debt Service Fund - to accumulate monies for payment of principal and interest on general obligation bonds, IEPA loans, and installment notes.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
TAXES			
Property taxes - general	\$ 10,089,000	\$ 10,089,000	\$ 9,969,346
Property taxes - police pension	3,367,000	3,367,000	3,337,700
Property taxes - firefighters' pension	2,707,000	2,707,000	2,686,526
Road and bridge property taxes	115,000	115,000	118,467
Auto rental tax	20,000	20,000	17,967
Food and beverage tax	773,000	773,000	839,472
Real estate transfer tax	1,075,000	1,190,500	1,190,331
Hotel/motel tax	300,000	300,000	249,175
Telecommunications tax	2,100,000	2,100,000	1,890,752
Home rule sales tax	1,450,000	1,450,000	1,341,253
Gas utility tax	515,000	515,000	491,142
Electronic games tax	-	26,000	-
Electric utility tax	1,150,000	1,150,000	1,109,579
Total taxes	23,661,000	23,802,500	23,241,710
LICENSES, PERMITS, AND FEES			
Liquor licenses	180,000	180,000	181,523
Business licenses	160,000	160,000	148,514
Contractor licenses	55,000	55,000	52,835
Alarm licenses	44,000	44,000	46,130
Elevator licenses	25,000	25,000	34,150
Building permit fees	550,000	550,000	557,680
Electrical permit fees	8,000	8,000	7,200
Permit penalties	1,000	1,000	-
Reinspection fees	50,000	50,000	45,100
Vacant structure registration fees	2,000	2,000	11,500
Truck rental fees	1,000	1,000	2,005
Utility permit fees	4,000	4,000	4,950
Plan examination fees	7,000	7,000	15,402
Stormwater detention	10,000	10,000	-
Street opening fees	2,000	2,000	100
ZBA hearing fees	15,000	15,000	16,250
Public improvement inspections	15,000	81,000	80,502
Village impact fees	-	-	8,100
False alarm fees	8,000	8,000	10,250
Landlord/tenant fees	300,000	300,000	294,541
Cable TV franchise	844,000	844,000	817,500
Total licenses, permits, and fees	2,281,000	2,347,000	2,334,232
INTERGOVERNMENTAL			
State sales tax	17,150,000	17,150,000	18,117,489
State income tax	5,543,000	5,543,000	4,975,194
State use tax	1,272,000	1,383,000	1,372,782
Charitable games tax	4,000	4,000	6,236

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
INTERGOVERNMENTAL (Continued)			
Replacement taxes	\$ 302,000	\$ 449,500	\$ 449,104
Replacement taxes - road and bridge	8,000	8,000	7,032
Grant - tobacco enforcement	2,700	2,700	-
Grant - body armor	6,840	6,840	6,371
Grant - NACCHO	2,000	2,000	263
Grant - SAFER	717,500	717,500	739,024
Grant - AFG Grant	-	160,000	159,682
	-	-	-
Total intergovernmental	25,008,040	25,426,540	25,833,177
CHARGES FOR SERVICES			
Water and sewer service charge	-	-	450
Maintenance of state highways	105,000	105,000	100,460
Ambulance transport fees	1,133,000	1,133,000	1,101,619
Forest River Rural FPD	53,000	53,000	52,950
Cable programming fees	27,255	27,255	-
Other programs	40,500	40,500	60,346
Special detail revenue	42,000	42,000	42,239
Police training revenue	5,000	5,000	7,633
Fire training revenue	20,000	20,000	21,563
Lease payments - cell tower	141,000	141,000	122,357
General store lease	16,200	16,200	17,551
Total charges for services	1,582,955	1,582,955	1,527,168
FINES AND FORFEITS			
Fines - parking	250,000	250,000	254,101
Fines - local ordinances	5,000	5,000	100
Fines - code enforcement	20,000	20,000	9,859
Fines - circuit court	144,000	144,000	110,873
Fines - parental responsibility	3,000	3,000	1,050
Forfeited escrow funds	30,000	30,000	39,206
Total fines and forfeits	452,000	452,000	415,189
INVESTMENT INCOME			
Investment income	41,000	149,000	126,693
Interest - escrow funds	2,000	2,000	6,232
Total investment income	43,000	151,000	132,925
MISCELLANEOUS			
Reimburse - high school youth officer	95,500	95,500	94,955
Reimburse - Library	28,000	28,000	27,351
Shared cost - sidewalk	15,000	15,000	15,029
Shared cost - tree replacement	30,000	30,000	2,423
Reimburse - village property	15,000	15,000	4,498

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
MISCELLANEOUS (Continued)			
Other reimbursements	\$ 25,000	\$ 25,000	\$ 17,087
Human services revenue	16,000	16,000	12,270
Fire and police reports	5,000	5,000	5,755
Animal release fees	1,000	1,000	275
Subpoena fees	1,000	1,000	325
Other revenue	72,100	676,600	137,594
Total miscellaneous	303,600	908,100	317,562
TOTAL REVENUES	\$ 53,331,595	\$ 54,670,095	\$ 53,801,963

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration	\$ 173,847	\$ 163,600	\$ 134,039
Village administration	4,224,906	4,780,126	4,730,808
Finance department	2,570,392	2,570,392	2,466,917
Community development - administration	865,651	948,257	933,069
Benefit payments	46,781	46,781	46,780
Total general government	7,881,577	8,509,156	8,311,613
PUBLIC SAFETY			
Community development - code enforcement	911,898	829,292	820,925
Police department	18,177,171	18,229,821	17,823,169
Fire department	15,003,170	15,609,220	15,522,366
Total public safety	34,092,239	34,668,333	34,166,460
HIGHWAYS AND STREETS			
Public works department	8,282,369	8,282,369	7,613,341
Total highways and streets	8,282,369	8,282,369	7,613,341
HEALTH			
Community development - health	248,627	248,627	261,533
WELFARE			
Human services department	1,133,296	1,155,389	1,117,710
Community development - housing	458,315	458,315	430,779
Total welfare	1,591,611	1,613,704	1,548,489
CULTURE AND RECREATION			
Public representation - community and civic services	635,172	635,172	585,907
TOTAL EXPENDITURES	\$ 52,731,595	\$ 53,957,361	\$ 52,487,343

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration			
Mayor and Board of Trustees			
Personal services	\$ 43,524	\$ 36,657	\$ 37,280
Employee benefits	11,523	8,143	7,749
Other employee costs	5,900	5,900	4,900
Contractual services	105,551	105,551	75,744
Utilities	449	449	410
Office equipment	1,800	1,800	-
Commodities and supplies	5,100	5,100	7,956
Total public representation - administration	173,847	163,600	134,039
Village administration			
Village Manager's office			
Personal services	424,922	424,922	467,322
Employee benefits	151,850	151,850	191,291
Other employee costs	21,100	21,100	12,894
Contractual services	82,611	82,611	58,479
Utilities	3,625	3,625	3,718
Commodities and supplies	6,466	6,466	5,215
Office and other equipment	200	200	-
Total Village Manager's office	690,774	690,774	738,919
Legal services			
Contractual services	662,500	662,500	898,409
Human resources			
Personal services	175,917	175,917	180,078
Employee benefits	120,614	120,614	174,627
Other employee costs	69,600	69,600	48,218
Contractual services	37,650	37,650	37,644
Commodities and supplies	1,200	1,200	800
Total human resources	404,981	404,981	441,367
Information technology			
Personal services	543,294	543,294	543,599
Employee benefits	208,322	208,322	208,071
Other employee costs	13,864	20,364	11,773
Contractual services	768,471	768,471	608,885
Utilities	5,518	5,518	4,875
Commodities and supplies	4,645	4,645	1,008
Office and other equipment	5,760	5,760	465
Total information technology	1,549,874	1,556,374	1,378,676

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Village administration (Continued)			
Communication division			
Communications			
Personal services	\$ 81,601	\$ 81,601	\$ 82,903
Employee benefits	41,880	41,880	44,950
Other employee costs	2,650	2,650	2,394
Contractual services	77,299	77,299	59,157
Commodities and supplies	1,624	1,624	1,425
Total communications	205,054	205,054	190,829
Television services			
Personal services	61,202	61,202	59,498
Employee benefits	31,810	31,810	28,977
Contractual services	29,590	29,590	24,999
Utilities	1,678	1,678	1,515
Commodities and supplies	4,500	4,500	4,018
Office and other equipment	22,900	22,900	18,569
Total television services	151,680	151,680	137,576
Community engagement			
Personal services	61,800	68,667	48,829
Employee benefits	30,400	33,780	24,403
Other employee costs	8,200	8,200	1,242
Contractual services	71,573	71,573	84,350
Utilities	920	920	785
Commodities and supplies	1,381	1,381	152
Total communication engagement	174,274	184,521	159,761
Total communication division	531,008	541,255	488,166
Property acquisition and relocation expense			
Contractual services	-	503,473	503,473
Village Clerk's office			
Administration and support			
Personal services	142,946	142,946	84,153
Employee benefits	75,437	75,437	35,755
Other employee costs	1,367	1,367	1,476
Contractual services	31,317	31,317	23,240
Utilities	839	839	758
Commodities and supplies	1,082	1,082	1,092
Total Village Clerk's office	252,988	252,988	146,474
Computer hardware/software			
Office and other equipment	132,781	167,781	135,324
Total computer hardware/software	132,781	167,781	135,324
Total Village administration	4,224,906	4,780,126	4,730,808

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Finance department			
Administration and support			
Personal services	\$ 148,341	\$ 148,341	\$ 148,339
Employee benefits	41,586	41,586	43,436
Other employee costs	28,735	28,735	20,142
Contractual services	262,322	262,322	199,538
Utilities	5,500	5,500	4,741
Commodities and supplies	20,663	20,663	15,089
Office and other equipment	673,211	673,211	676,637
Total administration and support	1,180,358	1,180,358	1,107,922
Accounting			
Personal services	361,627	361,627	349,979
Employee benefits	122,773	122,773	150,119
Other employee costs	1,530	1,530	-
Contractual services	4,392	4,392	1,910
Commodities and supplies	16,422	16,422	7,267
Total accounting	506,744	506,744	509,275
Insurance			
Personal services	37,265	37,265	37,265
Employee benefits	10,578	10,578	12,216
Insurance	406,258	406,258	401,291
Total insurance	454,101	454,101	450,772
Customer service			
Personal services	256,132	256,132	251,268
Employee benefits	83,887	83,887	81,532
Contractual services	70,955	70,955	57,304
Other employee costs	2,205	2,205	-
Commodities and supplies	16,010	16,010	8,844
Total customer service	429,189	429,189	398,948
Total finance department	2,570,392	2,570,392	2,466,917
Community development - administration			
Administration and support			
Personal services	232,909	290,922	272,413
Employee benefits	104,557	124,243	120,929
Other employee costs	4,846	7,066	4,575
Utilities	2,234	2,234	758
Commodities and supplies	1,082	1,082	328
Total administration and support	345,628	425,547	399,003

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Community development - administration (Continued)			
Planning and zoning			
Personal services	\$ 210,905	\$ 210,905	\$ 204,708
Employee benefits	89,120	89,120	96,015
Other employee costs	7,747	7,747	4,894
Contractual services	24,449	26,899	38,371
Utilities	1,298	580	643
Commodities and supplies	3,924	2,192	2,275
Total planning and zoning	337,443	337,443	346,906
Economic development			
Personal services	37,387	40,074	77,772
Employee benefits	11,070	11,070	20,376
Other employee costs	1,623	1,623	1,188
Contractual services	132,500	132,500	87,824
Total economic development	182,580	185,267	187,160
Total community development - administration	865,651	948,257	933,069
Benefit payments			
Contractual services	46,781	46,781	46,780
Total benefit payments	46,781	46,781	46,780
Total general government	7,881,577	8,509,156	8,311,613
PUBLIC SAFETY			
Community development - code enforcement			
Building inspections			
Personal services	331,061	270,361	353,610
Employee benefits	163,124	143,438	172,245
Other employee costs	7,909	5,689	4,516
Contractual services	391,438	391,438	274,243
Utilities	9,861	9,861	8,766
Commodities and supplies	8,505	8,505	7,545
Total community development - code enforcement	911,898	829,292	820,925
Police department			
Administration and support			
Personal services	786,865	786,865	866,947
Employee benefits	4,236,887	4,236,887	4,266,050
Other employee costs	170,500	175,500	143,331
Contractual services	129,410	149,360	105,586
Utilities	33,973	33,973	27,705
Commodities and supplies	26,123	31,623	25,779
Office and other equipment	9,250	24,250	12,584
Total administration and support	5,393,008	5,438,458	5,447,982

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Records			
Personal services	\$ 325,556	\$ 325,556	\$ 311,925
Employee benefits	119,704	119,704	124,981
Total records	445,260	445,260	436,906
Patrol and traffic enforcement			
Personal services	7,585,181	7,585,181	7,317,057
Employee benefits	1,349,136	1,349,136	1,359,300
Contractual services	599,050	593,550	583,639
Commodities and supplies	92,420	101,120	92,740
Office and other equipment	7,230	7,230	5,506
Total patrol and traffic enforcement	9,633,017	9,636,217	9,358,242
Crime prevention and public services			
Personal services	130,841	130,841	133,614
Employee benefits	36,309	36,309	30,837
Other employee costs	2,500	2,500	2,445
Contractual services	4,252	4,252	710
Commodities and supplies	9,820	11,320	16,041
Total crime prevention and public services	183,722	185,222	183,647
Investigative			
Personal services	1,476,240	1,476,240	1,407,849
Employee benefits	219,282	219,282	212,714
Contractual services	41,680	41,680	26,825
Utilities	13,650	13,650	10,049
Commodities and supplies	4,230	4,230	1,266
Office and other equipment	800	800	750
Total investigative	1,755,882	1,755,882	1,659,453
Equipment maintenance			
Contractual services	741,282	738,782	713,389
Commodities and supplies	16,300	16,300	14,606
Office and other equipment	8,700	13,700	8,944
Total equipment maintenance	766,282	768,782	736,939
Total police department	18,177,171	18,229,821	17,823,169

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Fire department			
Administration and support			
Personal services	\$ 643,488	\$ 643,488	\$ 663,456
Employee benefits	3,720,719	3,821,719	3,818,296
Other employee costs	93,360	93,360	59,906
Contractual services	49,590	49,720	51,773
Commodities and supplies	11,015	11,270	8,930
Office and other equipment	1,350	1,795	1,487
Total administration and support	4,519,522	4,621,352	4,603,848
Fire department operations			
Personal services	7,250,928	7,583,928	7,508,462
Employee benefits	1,215,768	1,215,768	1,296,726
Other employee costs	90,375	82,375	79,765
Contractual services	184,238	186,793	182,184
Commodities and supplies	15,270	15,970	14,559
Office and other equipment	107,817	282,982	277,268
Total fire department operations	8,864,396	9,367,816	9,358,964
Fire prevention			
Personal services	270,708	264,708	256,170
Employee benefits	115,465	115,465	108,442
Other employee costs	5,850	5,850	4,449
Contractual services	10,500	10,500	9,768
Commodities and supplies	12,020	11,620	11,851
Total fire prevention	414,543	408,143	390,680
Communications			
Contractual services	3,670	3,670	2,184
Utilities	62,860	62,860	51,197
Commodities and supplies	1,590	1,590	1,429
Office and other equipment	15,650	16,850	15,733
Total communications	83,770	84,970	70,543
Equipment maintenance			
Contractual services	864,637	864,637	864,637
Total equipment maintenance	864,637	864,637	864,637
Emergency preparedness			
Personal services	128,486	134,486	145,301
Employee benefits	49,872	49,872	47,413
Other employee costs	3,000	825	940
Contractual services	4,000	4,000	3,352
Commodities and supplies	6,520	8,695	8,228
Total emergency preparedness	191,878	197,878	205,234

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Paid on call			
Personal services	\$ 26,252	\$ 26,252	\$ 11,759
Employee benefits	1,522	1,522	901
Other employee costs	11,150	11,150	4,285
Office and other equipment	1,660	1,660	1,660
Total paid on call	40,584	40,584	18,605
Computer hardware and software			
Capital expenditure	23,840	23,840	9,855
Total fire department	15,003,170	15,609,220	15,522,366
Total public safety	34,092,239	34,668,333	34,166,460
HIGHWAYS AND STREETS			
Public works department			
Administration and support			
Personal services	272,531	272,531	230,518
Employee benefits	171,700	171,700	162,312
Other employee costs	30,879	30,879	30,470
Contractual services	1,117,520	1,117,520	1,114,579
Utilities	14,744	14,744	12,714
Commodities and supplies	15,713	15,713	17,228
Office and other equipment	1,573	1,573	1,535
Total administration and support	1,624,660	1,624,660	1,569,356
Street and buildings division			
Administration			
Personal services	101,781	101,781	107,602
Employee benefits	45,462	45,462	72,333
Utilities	4,000	4,000	3,224
Commodities and supplies	270	270	-
Total administration	151,513	151,513	183,159
Maintenance - public buildings			
Personal services	448,531	448,531	453,070
Employee benefits	159,427	159,427	180,430
Contractual services	376,011	376,011	302,497
Utilities	54,331	54,331	13,508
Commodities and supplies	123,351	123,351	110,201
Other expenditures	12,092	12,092	4,704
Total maintenance - public buildings	1,173,743	1,173,743	1,064,410

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street and buildings division (Continued)			
Street maintenance			
Personal services	\$ 132,850	\$ 132,850	\$ 118,729
Employee benefits	49,547	49,547	47,653
Contractual services	465,896	465,896	289,445
Commodities and supplies	163,105	163,105	136,329
Total street maintenance	811,398	811,398	592,156
Snow removal			
Personal services	332,695	332,695	307,937
Employee benefits	124,742	124,742	121,753
Contractual services	124,867	124,867	75,297
Commodities and supplies	13,957	13,957	13,077
Office and other equipment	15,918	15,918	11,539
Total snow removal	612,179	612,179	529,603
Storm sewer/basin maintenance			
Personal services	71,196	71,196	63,913
Employee benefits	23,662	23,662	21,064
Contractual services	12,634	12,634	9,380
Commodities and supplies	7,828	7,828	7,799
Total storm sewer/basin maintenance	115,320	115,320	102,156
Maintenance of state highways			
Personal services	32,128	32,128	30,184
Employee benefits	13,271	13,271	12,169
Contractual services	19,204	19,204	15,859
Commodities and supplies	31,048	31,048	20,674
Total maintenance of state highways	95,651	95,651	78,886
Traffic sign maintenance			
Personal services	86,773	86,773	85,385
Employee benefits	30,051	30,051	30,721
Commodities and supplies	24,999	24,999	24,915
Total traffic sign maintenance	141,823	141,823	141,021
Total street and buildings division	3,101,627	3,101,627	2,691,391
Forestry division			
Administration and support			
Personal services	104,011	104,011	98,605
Employee benefits	35,897	35,897	33,449
Commodities and supplies	450	450	270
Total administration and support	140,358	140,358	132,324

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Forestry division (Continued)			
Maintenance of grounds			
Personal services	\$ 264,292	\$ 264,292	\$ 260,240
Employee benefits	95,056	95,056	92,446
Contractual services	142,777	142,777	126,061
Commodities and supplies	9,369	9,369	9,363
Office and other equipment	48,168	48,168	43,358
Total maintenance of grounds	559,662	559,662	531,468
Forestry program			
Personal services	348,537	348,537	341,865
Employee benefits	143,907	143,907	140,141
Other employee costs	6,336	6,336	6,336
Contractual services	455,420	455,420	407,729
Utilities	3,356	3,356	3,791
Commodities and supplies	11,583	11,583	11,151
Total forestry program	969,139	969,139	911,013
Public grounds beautification			
Personal services	29,037	29,037	28,103
Employee benefits	9,493	9,493	9,439
Contractual services	2,598	2,598	949
Commodities and supplies	34,844	34,844	34,182
Total public grounds beautification	75,972	75,972	72,673
Total forestry division	1,745,131	1,745,131	1,647,478
Engineering division			
Engineering services			
Personal services	645,042	645,042	630,954
Employee benefits	217,713	217,713	224,525
Other employee costs	5,346	5,346	5,414
Contractual services	102,752	102,752	107,234
Utilities	5,200	5,200	5,458
Commodities and supplies	5,743	5,743	5,581
Office and other equipment	2,361	2,361	1,513
Total engineering services	984,157	984,157	980,679
Traffic control and street lighting			
Personal services	128,902	128,902	125,580
Employee benefits	49,233	49,233	55,288
Contractual services	16,469	16,469	15,649
Utilities	72,000	72,000	64,786
Commodities and supplies	26,990	26,990	22,341
Total traffic control and street lighting	293,594	293,594	283,644
Total engineering division	1,277,751	1,277,751	1,264,323

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Capital expenditures			
Infrastructure			
Resurfacing/curbs	\$ 250,200	\$ 250,200	\$ 233,480
Miscellaneous - forestry	283,000	283,000	207,313
Total capital expenditures	533,200	533,200	440,793
Total highways and streets	8,282,369	8,282,369	7,613,341
HEALTH			
Community development - health			
Health inspections			
Personal services	157,070	157,070	154,716
Employee benefits	76,637	76,637	75,198
Other employee costs	1,423	1,423	540
Contractual services	9,164	9,164	29,503
Utilities	1,935	1,935	606
Commodities and supplies	2,398	2,398	970
Total health	248,627	248,627	261,533
WELFARE			
Human services department			
Administration and support			
Personal services	141,866	141,866	147,808
Employee benefits	82,598	82,598	89,455
Other employee costs	1,645	1,645	808
Contractual services	24,088	45,028	36,515
Utilities	7,030	7,030	4,781
Commodities and supplies	3,281	4,434	2,779
Office and other equipment	514	514	387
Total administration and support	261,022	283,115	282,533
Social services			
Personal services	224,553	224,553	216,816
Employee benefits	83,411	83,411	79,715
Other employee costs	2,897	2,897	2,405
Commodities and supplies	520	520	185
Total social services	311,381	311,381	299,121
Nursing/health services			
Personal services	114,318	114,318	110,129
Employee benefits	47,645	47,645	49,084
Other employee costs	819	819	593
Contractual services	411	411	-
Commodities and supplies	4,588	4,588	3,152
Total nursing/health services	167,781	167,781	162,958

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
WELFARE (Continued)			
Human services department (Continued)			
Community Connections Center			
Personal services	\$ 205,215	\$ 205,215	\$ 202,520
Employee benefits	83,600	83,600	79,834
Other employee costs	1,968	1,968	1,460
Contractual services	97,250	97,250	85,494
Utilities	2,690	2,690	2,640
Commodities and supplies	2,389	2,389	1,150
Total Community Connections Center	393,112	393,112	373,098
Total human services department	1,133,296	1,155,389	1,117,710
Community development - housing			
Housing inspections			
Personal services	268,828	268,828	247,593
Employee benefits	108,761	108,761	111,348
Other employee costs	5,295	5,295	1,255
Contractual services	65,211	65,211	67,164
Utilities	5,298	5,298	606
Commodities and supplies	4,922	4,922	2,813
Total community development - housing	458,315	458,315	430,779
Total welfare	1,591,611	1,613,704	1,548,489
CULTURE AND RECREATION			
Community groups and miscellaneous			
Contractual services	155,230	155,230	179,837
Other expenditures	7,000	7,000	4,035
Total community groups and miscellaneous	162,230	162,230	183,872
Public relations - community and civic services			
4th of July and civic events			
Personal services	156,058	156,058	134,002
Employee benefits	50,590	50,590	40,622
Contractual services	59,353	59,353	41,746
Commodities and supplies	40,554	40,554	31,279
Total 4th of July and civic events	306,555	306,555	247,649
Centennial commission			
Contractual services	19,800	19,800	21,040
Commodities and supplies	35,000	35,000	30,212
Total centennial commission	54,800	54,800	51,252

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CULTURE AND RECREATION (Continued)			
Public relations - community and civic services (Continued)			
Holiday decorations			
Personal services	\$ 10,198	\$ 10,198	\$ 8,152
Employee benefits	2,845	2,845	2,435
Contractual services	71,726	71,726	66,580
Commodities and supplies	23,272	23,272	23,212
Total holiday decorations	108,041	108,041	100,379
Blood drive program			
Personal services	1,844	1,844	1,843
Employee benefits	142	142	141
Commodities and supplies	1,560	1,560	771
Total blood drive program	3,546	3,546	2,755
Total culture and recreation	635,172	635,172	585,907
TOTAL EXPENDITURES	\$ 52,731,595	\$ 53,957,361	\$ 52,487,343

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
REFUSE DISPOSAL FUND**

SPECIAL REVENUE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Single-family service charges	\$ 3,196,000	\$ 3,196,000	\$ 3,202,545
Multi-family service charges	955,000	955,000	946,140
Single-family penalties	36,000	36,000	31,798
Multi-family penalties	6,000	6,000	6,832
Contract administrative fees	198,000	198,000	95,548
Refuse stickers	205,000	205,000	-
Recycling bins	1,000	1,000	700
Total charges for services	4,597,000	4,597,000	4,283,563
INVESTMENT INCOME	2,000	2,000	7,124
MISCELLANEOUS	11,000	11,000	27,084
TOTAL OPERATING REVENUES	<u>\$ 4,610,000</u>	<u>\$ 4,610,000</u>	<u>\$ 4,317,771</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

DEBT SERVICE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property - levy	\$ 2,284,000	\$ 2,284,000	\$ 2,284,000
Other taxes			
Home rule sales tax	1,002,092	1,002,092	1,002,092
Investment income	100	100	5,393
Intergovernmental revenue	1,642,300	1,642,300	1,621,718
Total revenues	<u>4,928,492</u>	<u>4,928,492</u>	<u>4,913,203</u>
EXPENDITURES			
Debt service			
Principal retirement	3,378,903	3,378,903	3,518,904
Interest and fiscal charges	1,543,110	1,543,110	1,378,256
Total expenditures	<u>4,922,013</u>	<u>4,922,013</u>	<u>4,897,160</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,479</u>	<u>\$ 6,479</u>	16,043
FUND BALANCE, JANUARY 1			<u>168,152</u>
FUND BALANCE, DECEMBER 31			<u>\$ 184,195</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

Community Development Block Grant (CDBG) Fund - to account for the revenue and expenditures associated with the CDBG. The grant is provided by the U.S. Department of Housing and Urban Development to develop urban communities by expanding economic opportunities and providing decent housing and a suitable living environment. The beneficiaries of CDBG must be individuals with low and/or moderate incomes.

Asset Seizure Fund - to account for the revenues and expenditures associated with the asset seizure program in which the Village participates. Funds received are restricted for use in the fight against drugs.

Federal Equitable Share Fund - to account for the revenues and expenditures associated with the Federal Shared Funds Program. The use of funds is restricted for use in the fight against drugs.

DUI Fines Fund - to account for revenues and expenditures associated with the Cook County DUI fine program. Use of the funds is restricted to the fight against drunk driving.

Foreign Fire Insurance Fund - to account for revenues derived from the Foreign Fire Insurance Tax and disbursement of these funds for the benefit, use, and maintenance related to the Fire Department.

Business District Fund - to account for the revenues and expenditures associated with the Business Districts within the Village. The Village currently has one Business District, the Randhurst Village Business District Area.

Prospect/Main TIF District Fund - to account for the resources to acquire property and construct certain improvements in the Prospect/Main Tax Incremental Financing District. Financing is being provided by incremental property taxes and investment income.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Improvement Fund - to account for the resources to provide for certain capital improvements and the replacement of village equipment. Financing is being provided by home rule sales tax, developer contributions, transfers from other funds, and investment income.

Flood Control Construction Fund - to account for the resources to implement flood control projects throughout the Village. Financing is provided by home rule sales taxes, service charges, and investment income.

Street Improvement Construction Fund - to account for the resources to reconstruct the Village's streets. Financing is provided by various taxes, licenses, permits, fees, and investment income.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 8,748,239	\$ 3,209,472	\$ 11,957,711
Receivables			
Other taxes	209,724	1,058,450	1,268,174
Other	95,094	-	95,094
Due from other governments	506,518	-	506,518
Prepaid items	606	-	606
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 9,560,181	\$ 4,267,922	\$ 13,828,103
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,682,689	\$ 438,675	\$ 2,121,364
Retainage payable	2,504	162,841	165,345
Due to other funds	-	87,192	87,192
Unearned revenue	499,036	-	499,036
	<hr/>	<hr/>	<hr/>
Total liabilities	2,184,229	688,708	2,872,937
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Nonspendable			
Prepaid items	606	-	606
Restricted			
Highways and streets	6,688,899	-	6,688,899
Public safety - police	334,030	-	334,030
Public safety - fire	352,417	-	352,417
Assigned			
Capital projects	-	3,579,214	3,579,214
	<hr/>	<hr/>	<hr/>
Total fund balances	7,375,952	3,579,214	10,955,166
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,560,181	\$ 4,267,922	\$ 13,828,103
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Special Revenue	Capital Projects	Total
REVENUES			
Other taxes	\$ 1,527,953	\$ 3,728,382	\$ 5,256,335
Licenses, permits, and fees	-	1,648,265	1,648,265
Intergovernmental	1,710,753	33,664	1,744,417
Investment income	27,991	23,562	51,553
Other reimbursements	-	19,824	19,824
Miscellaneous	159,968	87,738	247,706
Total revenues	3,426,665	5,541,435	8,968,100
EXPENDITURES			
Current			
General government	1,749,291	-	1,749,291
Public safety	112,602	-	112,602
Highways and streets	1,148,795	-	1,148,795
Welfare	404,566	-	404,566
Capital outlay	-	5,786,667	5,786,667
Total expenditures	3,415,254	5,786,667	9,201,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,411	(245,232)	(233,821)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	4,815,000	-	4,815,000
Premium on issuance of debt	115,835	-	115,835
Transfers in	-	600,000	600,000
Total other financing sources (uses)	4,930,835	600,000	5,530,835
NET CHANGE IN FUND BALANCES	4,942,246	354,768	5,297,014
FUND BALANCES, JANUARY 1	2,433,706	3,224,446	5,658,152
FUND BALANCES, DECEMBER 31	\$ 7,375,952	\$ 3,579,214	\$ 10,955,166

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2017

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
ASSETS				
Cash and investments	\$ 2,695,243	\$ 24,583	\$ 180,542	\$ 20,194
Receivables				
Other taxes	119,690	-	-	-
Other	1,170	-	-	-
Due from other governments	9,247	495,820	1,451	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 2,825,350	\$ 520,403	\$ 181,993	\$ 20,194
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 80,878	\$ 20,633	\$ 9,085	\$ -
Retainage payable	-	734	-	-
Unearned revenue	-	499,036	-	-
Total liabilities	80,878	520,403	9,085	-
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	-	-
Restricted				
Highways and streets	2,744,472	-	-	-
Public safety - police	-	-	172,908	20,194
Public safety - fire	-	-	-	-
Total fund balances	2,744,472	-	172,908	20,194
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,825,350	\$ 520,403	\$ 181,993	\$ 20,194

DUI Fines	Foreign Fire Insurance	Business District	Prospect/Main TIF	Total
\$ 137,347	\$ 384,935	\$ 1,363,957	\$ 3,941,438	\$ 8,748,239
-	-	90,034	-	209,724
3,581	3,257	69,122	17,964	95,094
-	-	-	-	506,518
-	6	-	600	606
\$ 140,928	\$ 388,198	\$ 1,523,113	\$ 3,960,002	\$ 9,560,181
\$ -	\$ 35,775	\$ 1,523,113	\$ 13,205	\$ 1,682,689
-	-	-	1,770	2,504
-	-	-	-	499,036
-	35,775	1,523,113	14,975	2,184,229
-	6	-	600	606
-	-	-	3,944,427	6,688,899
140,928	-	-	-	334,030
-	352,417	-	-	352,417
140,928	352,423	-	3,945,027	7,375,952
\$ 140,928	\$ 388,198	\$ 1,523,113	\$ 3,960,002	\$ 9,560,181

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,381,615	273,344	29,172	-
Investment income	17,424	-	880	181
Miscellaneous	28,746	131,222	-	-
Total revenues	1,427,785	404,566	30,052	181
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	30,223	-
Highways and streets	1,148,795	-	-	-
Welfare	-	404,566	-	-
Total expenditures	1,148,795	404,566	30,223	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	278,990	-	(171)	181
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Premium on issuance of debt	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	278,990	-	(171)	181
FUND BALANCES (DEFICIT), JANUARY 1	2,465,482	-	173,079	20,013
FUND BALANCES, DECEMBER 31	\$ 2,744,472	\$ -	\$ 172,908	\$ 20,194

DUI Fines	Foreign Fire Insurance	Business District	Prospect/Main TIF	Total
\$ -	\$ 83,092	\$ 1,444,861	\$ -	\$ 1,527,953
26,622	-	-	-	1,710,753
503	2,386	6,310	307	27,991
-	-	-	-	159,968
27,125	85,478	1,451,171	307	3,426,665
-	-	1,451,171	298,120	1,749,291
7,646	74,733	-	-	112,602
-	-	-	-	1,148,795
-	-	-	-	404,566
7,646	74,733	1,451,171	298,120	3,415,254
19,479	10,745	-	(297,813)	11,411
-	-	-	4,815,000	4,815,000
-	-	-	115,835	115,835
-	-	-	4,930,835	4,930,835
19,479	10,745	-	4,633,022	4,942,246
121,449	341,678	-	(687,995)	2,433,706
\$ 140,928	\$ 352,423	\$ -	\$ 3,945,027	\$ 7,375,952

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 1,400,000	\$ 1,400,000	\$ 1,381,615
Investment income	4,000	4,000	17,424
Miscellaneous	15,000	15,000	28,746
Total revenues	<u>1,419,000</u>	<u>1,419,000</u>	<u>1,427,785</u>
EXPENDITURES			
Highways and streets			
Street division	<u>1,897,071</u>	<u>1,947,071</u>	<u>1,148,795</u>
Total expenditures	<u>1,897,071</u>	<u>1,947,071</u>	<u>1,148,795</u>
NET CHANGE IN FUND BALANCE	<u>\$ (478,071)</u>	<u>\$ (528,071)</u>	278,990
FUND BALANCE, JANUARY 1			<u>2,465,482</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,744,472</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS			
Public works department			
Street division			
Street maintenance			
Contractual services	\$ 172,566	\$ 172,566	\$ 170,054
Total street maintenance	172,566	172,566	170,054
Snow removal			
Contractual services	79,591	79,591	73,938
Commodities and supplies	471,518	471,518	82,265
Total snow removal	551,109	551,109	156,203
Traffic control/street lighting			
Contractual services	94,031	94,031	86,397
Utilities	162,365	162,365	149,800
Total traffic control/street lighting	256,396	256,396	236,197
Street improvement projects			
Infrastructure	917,000	967,000	586,341
Total street improvement projects	917,000	967,000	586,341
TOTAL EXPENDITURES	\$ 1,897,071	\$ 1,947,071	\$ 1,148,795

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Grant - CDBG	\$ 530,921	\$ 554,718	\$ 273,344
Miscellaneous			
Program income	60,000	60,000	131,222
	<hr/>	<hr/>	<hr/>
Total revenues	590,921	614,718	404,566
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Welfare			
Administration	48,247	48,247	47,420
Community programs	44,000	67,797	56,230
Residential rehabilitation	498,674	498,674	300,916
	<hr/>	<hr/>	<hr/>
Total expenditures	590,921	614,718	404,566
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			<hr/>
			-
FUND BALANCE, DECEMBER 31			<hr/> <hr/>
			\$ -

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
WELFARE			
Administration and support			
Personal services	\$ 27,291	\$ 27,291	\$ 27,857
Employee benefits	13,478	13,478	17,233
Other employee costs	1,082	1,082	104
Contractual services	5,856	5,856	2,226
Commodities and supplies	540	540	-
Total administration and support	48,247	48,247	47,420
Community programs			
Contractual services	44,000	67,797	56,230
Total community programs	44,000	67,797	56,230
Residential rehabilitation			
Personal services	23,880	23,880	8,427
Employee benefits	11,794	11,794	1,589
Contractual services	463,000	463,000	290,900
Total residential rehabilitation	498,674	498,674	300,916
TOTAL EXPENDITURES	\$ 590,921	\$ 614,718	\$ 404,566

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSET SEIZURE FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Seized assets	\$ 10,000	\$ 10,000	\$ 29,172
Investment income	200	200	880
	<hr/>		
Total revenues	10,200	10,200	30,052
	<hr/>		
EXPENDITURES			
Public safety			
Other employee costs	1,000	16,000	12,858
Contractual services	3,000	3,000	-
Equipment	3,000	17,365	17,365
	<hr/>		
Total expenditures	7,000	36,365	30,223
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 3,200	\$ (26,165)	(171)
FUND BALANCE, JANUARY 1			173,079
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 172,908
			<hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL EQUITABLE SHARE FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Federal equitable shared funds	\$ 100	\$ 100	\$ -
Investment income	100	100	181
	<hr/>		
Total revenues	200	200	181
	<hr/>		
EXPENDITURES			
Public safety			
Contractual services	1,000	1,000	-
Equipment	1,000	1,000	-
	<hr/>		
Total expenditures	2,000	2,000	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,800)</u>	<u>\$ (1,800)</u>	181
FUND BALANCE, JANUARY 1			<u>20,013</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 20,194</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DUI FINES FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
DUI fines	\$ 20,000	\$ 20,000	\$ 26,622
Investment income	100	100	503
	<hr/>		
Total revenues	20,100	20,100	27,125
	<hr/>		
EXPENDITURES			
Public safety			
Patrol and traffic enforcement			
Other employee costs	10,000	10,000	6,729
Equipment	10,000	10,000	917
	<hr/>		
Total expenditures	20,000	20,000	7,646
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 100</u>	<u>\$ 100</u>	19,479
FUND BALANCE, JANUARY 1			<u>121,449</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 140,928</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Foreign fire insurance tax	\$ 85,000	\$ 85,000	\$ 83,092
Investment income	1,000	1,000	2,386
	<hr/>		
Total revenues	86,000	86,000	85,478
	<hr/>		
EXPENDITURES			
Public safety			
Insurance	500	500	-
Training	15,000	15,000	4,054
Contractual services	15,000	15,000	8,457
Commodities and supplies	5,000	5,000	6,013
Equipment	30,000	56,500	56,209
	<hr/>		
Total expenditures	65,500	92,000	74,733
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 20,500	\$ (6,000)	10,745
	<hr/>		
FUND BALANCE, JANUARY 1			341,678
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 352,423
			<hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Food and beverage tax	\$ 440,000	\$ 440,000	\$ 382,694
Hotel/motel tax	230,000	230,000	230,752
Movie theatre tax	110,000	110,000	104,034
Business district tax	370,000	370,000	322,936
State sales tax	570,000	570,000	404,445
Investment income	1,000	1,000	6,310
Total revenues	<u>1,721,000</u>	<u>1,721,000</u>	<u>1,451,171</u>
EXPENDITURES			
General government	<u>1,721,000</u>	<u>1,721,000</u>	<u>1,451,171</u>
Total expenditures	<u>1,721,000</u>	<u>1,721,000</u>	<u>1,451,171</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ -</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROSPECT/MAIN TIF FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property	\$ -	\$ 275,000	\$ -
Interest income	-	-	307
	<hr/>		
Total revenues	-	275,000	307
	<hr/>		
EXPENDITURES			
General government			
Contractual services	-	295,000	164,293
Other expenditures	-	400,000	59,630
Debt service			
Debt issuance costs	-	-	74,197
	<hr/>		
Total expenditures	-	695,000	298,120
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(420,000)	(297,813)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	4,815,000
Premium on issuance of debt	-	-	115,835
Proceeds from sale of capital assets	-	700,000	-
	<hr/>		
Total other financing sources (uses)	-	700,000	4,930,835
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ 280,000	4,633,022
	<hr/>		
FUND BALANCE (DEFICIT), JANUARY 1			(687,995)
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 3,945,027
	<hr/>		

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2017

	Capital Improvement	Flood Control Construction	Street Improvement Construction	Total
ASSETS				
Cash and investments	\$ 1,446,155	\$ 1,763,317	\$ -	\$ 3,209,472
Receivables				
Other taxes	430,256	133,528	494,666	1,058,450
TOTAL ASSETS	\$ 1,876,411	\$ 1,896,845	\$ 494,666	\$ 4,267,922
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 97,801	\$ 45,569	\$ 295,305	\$ 438,675
Due to other funds	-	-	87,192	87,192
Retainage payable	79,167	32,736	50,938	162,841
Total liabilities	176,968	78,305	433,435	688,708
FUND BALANCES				
Unrestricted				
Assigned				
Capital projects	1,699,443	1,818,540	61,231	3,579,214
Total fund balances	1,699,443	1,818,540	61,231	3,579,214
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,876,411	\$ 1,896,845	\$ 494,666	\$ 4,267,922

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2017

	Capital Improvement	Flood Control Construction	Street Improvement Construction	Total
REVENUES				
Taxes				
Other	\$ 1,341,253	\$ 339,161	\$ 2,047,968	\$ 3,728,382
Licenses, permits, and fees	-	-	1,648,265	1,648,265
Intergovernmental	33,664	-	-	33,664
Investment income	9,118	10,271	4,173	23,562
Other reimbursements	-	19,824	-	19,824
Miscellaneous	33,900	26,783	27,055	87,738
Total revenues	1,417,935	396,039	3,727,461	5,541,435
EXPENDITURES				
Capital outlay	1,269,450	596,631	3,920,586	5,786,667
Total expenditures	1,269,450	596,631	3,920,586	5,786,667
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	148,485	(200,592)	(193,125)	(245,232)
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	-	-	600,000
NET CHANGE IN FUND BALANCES	748,485	(200,592)	(193,125)	354,768
FUND BALANCES, JANUARY 1	950,958	2,019,132	254,356	3,224,446
FUND BALANCES, DECEMBER 31	\$ 1,699,443	\$ 1,818,540	\$ 61,231	\$ 3,579,214

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,450,000	\$ 1,450,000	\$ 1,341,253
Investment income	5,000	5,000	9,118
Intergovernmental	-	34,000	33,664
Miscellaneous			
Other	-	34,000	33,900
Donations	10,000	10,000	-
	<hr/>		
Total revenues	1,465,000	1,533,000	1,417,935
	<hr/>		
EXPENDITURES			
Capital outlay			
Equipment	864,392	998,531	716,666
Building improvements	329,500	379,500	327,704
Infrastructure	1,055,000	1,490,832	225,080
Contractual services	-	25,000	-
	<hr/>		
Total expenditures	2,248,892	2,893,863	1,269,450
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(783,892)	(1,360,863)	148,485
OTHER FINANCING SOURCES (USES)			
Transfers in	600,000	600,000	600,000
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (183,892)	\$ (760,863)	748,485
	<hr/>		
FUND BALANCE, JANUARY 1			950,958
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 1,699,443
	<hr/>		

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
EXPENDITURES			
Equipment			
Computer software - Microsoft Office Suite	\$ -	\$ 77,139	\$ 74,212
Wireless connectivity - other public facilities	52,000	52,000	-
Telephone system - village hall	-	27,000	9,985
Desktop virtualization	-	30,000	10,177
Cable TV equipment	60,650	60,650	43,449
Paramedic equipment	514,495	356,000	354,349
Police department software	110,000	110,000	-
Water recovery equipment	-	32,000	31,976
Radio equipment - police/fire/public works	127,247	253,742	192,518
Total equipment	864,392	998,531	716,666
Building improvements			
Salt storage building	-	-	16,044
HVAC replacements	25,000	75,000	16,745
Contractual services - brick sidewalks	76,500	76,500	75,000
Electrical panel	90,000	90,000	82,999
Other public building improvements	138,000	138,000	136,916
Total building improvements	329,500	379,500	327,704
Infrastructure			
D/T Streetscape Program	-	88,213	19,311
Residential street lights	75,000	75,000	43,819
Corridor improvements	200,000	200,000	-
Jogging path	-	205,339	46,273
Kensington road improvement	-	88,086	-
Detention pond improvements	280,000	310,000	20,047
Downtown pedestrian improvement	400,000	400,000	19,899
Parking deck maintenance	100,000	100,000	60,749
Bike route sign project	-	24,194	14,982
Total infrastructure	1,055,000	1,490,832	225,080
Contractual services			
Needs studies - traffic study/improvements	-	25,000	-
Total contractual services	-	25,000	-
TOTAL EXPENDITURES	\$ 2,248,892	\$ 2,893,863	\$ 1,269,450

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FLOOD CONTROL CONSTRUCTION FUND**

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Other taxes			
Home rule sales tax	\$ 450,000	\$ 450,000	\$ 339,161
Miscellaneous			
Fees	40,000	40,000	26,783
Other reimbursements	-	-	19,824
Investment income	6,000	6,000	10,271
Total revenues	<u>496,000</u>	<u>496,000</u>	<u>396,039</u>
EXPENDITURES			
Capital outlay			
Public improvements			
Infrastructure	788,042	921,314	594,274
Other	7,702	7,702	2,357
Total expenditures	<u>795,744</u>	<u>929,016</u>	<u>596,631</u>
NET CHANGE IN FUND BALANCE	<u>\$ (299,744)</u>	<u>\$ (433,016)</u>	(200,592)
FUND BALANCE, JANUARY 1			<u>2,019,132</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,818,540</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FLOOD CONTROL CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CAPITAL OUTLAY			
Public improvements			
Infrastructure			
Levee repairs	\$ 42,840	\$ 42,840	\$ 25,938
Culvert and ditch	30,000	30,000	29,112
Levee supplies	5,202	5,202	4,935
Creek bank stabilization	25,000	25,000	3,656
Creek tree trimming	25,000	25,000	24,808
Private property drainage	100,000	100,000	92,431
Storm sewer inspection program	100,000	100,000	46,225
Levee 37	100,000	100,000	49,454
Storm sewer improvements	360,000	493,272	317,715
	<hr/>	<hr/>	<hr/>
Total infrastructure	788,042	921,314	594,274
	<hr/>	<hr/>	<hr/>
Other			
Electricity	2,500	2,500	1,917
Residential reimbursements	5,202	5,202	440
	<hr/>	<hr/>	<hr/>
Total other	7,702	7,702	2,357
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 795,744	\$ 929,016	\$ 596,631

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT CONSTRUCTION FUND**

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,450,000	\$ 1,450,000	\$ 1,341,253
Municipal motor fuel tax	675,000	707,000	706,715
License fees	1,670,000	1,670,000	1,648,265
Investment income	2,000	2,000	4,173
Miscellaneous income	50,000	50,000	27,055
Total revenues	<u>3,847,000</u>	<u>3,879,000</u>	<u>3,727,461</u>
EXPENDITURES			
Capital outlay			
Contractual services	40,000	40,000	37,076
Infrastructure			
Street resurfacing	<u>3,972,000</u>	<u>3,972,000</u>	<u>3,883,510</u>
Total expenditures	<u>4,012,000</u>	<u>4,012,000</u>	<u>3,920,586</u>
NET CHANGE IN FUND BALANCE	<u>\$ (165,000)</u>	<u>\$ (133,000)</u>	(193,125)
FUND BALANCE, JANUARY 1			<u>254,356</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 61,231</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 13,896,000	\$ 13,896,000	\$ 13,395,619
Total operating revenues	13,896,000	13,896,000	13,395,619
OPERATING EXPENSES			
Administration and maintenance	14,918,542	15,033,878	13,548,366
Depreciation	-	-	681,477
Total operating expenses	14,918,542	15,033,878	14,229,843
OPERATING INCOME (LOSS)	(1,022,542)	(1,137,878)	(834,224)
NON-OPERATING REVENUES (EXPENSES)			
Property taxes	1,530,000	1,530,000	1,514,452
Loss on the sale of capital assets	-	-	(2,381)
Interest and fiscal charges	-	-	(75,893)
Investment income	5,000	5,000	22,453
Other income	85,000	85,000	92,905
Total non-operating revenues (expenses)	1,620,000	1,620,000	1,551,536
CHANGE IN NET POSITION	\$ 597,458	\$ 482,122	717,312
NET POSITION, JANUARY 1			40,610,650
NET POSITION, DECEMBER 31			\$ 41,327,962

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
WATER AND SEWER FUND**

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Water sales	\$ 10,964,000	\$ 10,964,000	\$ 10,546,653
Sewer fees	2,110,000	2,110,000	2,044,524
Sewer construction charge	682,000	682,000	654,601
Water penalties	80,000	80,000	81,478
Water meter fees	15,000	15,000	17,220
Water and sewer taps	25,000	25,000	23,900
Sewer penalties	20,000	20,000	21,392
Miscellaneous	-	-	5,851
TOTAL OPERATING REVENUES	\$ 13,896,000	\$ 13,896,000	\$ 13,395,619

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Administration and support			
Personal services	\$ 562,755	\$ 562,755	\$ 524,783
Employee benefits	272,831	272,831	318,687
Other employee costs	42,404	42,404	40,313
Contractual services	191,637	191,637	231,574
Utilities	49,673	49,673	50,642
Insurance	100,042	100,042	100,042
Commodities and supplies	13,022	13,022	12,087
Capital expenditures	12,335	12,335	11,733
Total administration and support	1,244,699	1,244,699	1,289,861
Maintenance of buildings			
Personal services	171,405	171,405	163,496
Employee benefits	79,128	79,128	94,895
Contractual services	17,509	17,509	6,271
Utilities	6,367	6,367	4,153
Commodities and supplies	1,592	1,592	1,555
Total maintenance of buildings	276,001	276,001	270,370
Maintenance of grounds			
Personal services	69,071	69,071	58,513
Employee benefits	21,438	21,438	26,677
Contractual services	36,605	36,605	36,513
Commodities and supplies	6,276	6,276	6,272
Total maintenance of grounds	133,390	133,390	127,975
Water supply maintenance and repair			
Personal services	445,602	445,602	406,793
Employee benefits	166,670	166,670	203,972
Contractual services	177,740	177,740	112,013
Utilities	90,203	90,203	57,537
Commodities and supplies	83,648	83,648	42,070
Total water supply maintenance and repair	963,863	963,863	822,385

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water distribution maintenance and repair			
Personal services	\$ 309,244	\$ 309,244	\$ 284,013
Employee benefits	98,631	98,631	118,884
Contractual services	278,592	258,592	200,377
Commodities and supplies	78,893	78,893	44,932
Capital expenditures	1,040	1,040	326
Total water distribution maintenance and repair	<u>766,400</u>	<u>746,400</u>	<u>648,532</u>
Water valve and hydrant maintenance			
Personal services	277,687	277,687	262,486
Employee benefits	93,690	93,690	120,241
Contractual services	47,443	47,443	43,644
Commodities and supplies	106,812	106,812	79,718
Total water valve and hydrant maintenance	<u>525,632</u>	<u>525,632</u>	<u>506,089</u>
Water meter installation, repair, and replacement			
Personal services	191,628	191,628	191,071
Employee benefits	68,817	68,817	85,504
Contractual services	113,358	113,358	85,480
Commodities and supplies	3,303	3,303	1,054
Capital expenditures	30,000	50,000	49,143
Total water meter installation, repair, and replacement	<u>407,106</u>	<u>427,106</u>	<u>412,252</u>
Equipment maintenance			
Contractual services	965,576	965,576	965,576
Sanitary sewer maintenance and repair			
Personal services	291,348	291,348	221,242
Employee benefits	103,465	103,465	116,495
Contractual services	215,739	215,739	144,258
Utilities	23,929	23,929	22,682
Commodities and supplies	28,444	28,444	21,665
Total sanitary sewer maintenance and repair	<u>662,925</u>	<u>662,925</u>	<u>526,342</u>

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water system improvements			
Capital expenditures	\$ 1,243,950	\$ 1,499,286	\$ 1,248,136
Less capital expenditures capitalized	(650,000)	(790,000)	(622,060)
Total water system improvements	<u>593,950</u>	<u>709,286</u>	<u>626,076</u>
Sanitary system improvements			
Capital expenditures	1,700,000	1,700,000	991,597
Less capital expenditures capitalized	(179,000)	(179,000)	(179,941)
Total sanitary system improvements	<u>1,521,000</u>	<u>1,521,000</u>	<u>811,656</u>
Improvements to public buildings			
Capital expenditures	70,000	70,000	67,128
Total improvements to public buildings	<u>70,000</u>	<u>70,000</u>	<u>67,128</u>
Lake Michigan water acquisition			
Contractual services	6,788,000	6,788,000	6,474,124
Total Lake Michigan water acquisition	<u>6,788,000</u>	<u>6,788,000</u>	<u>6,474,124</u>
Total administration and maintenance	14,918,542	15,033,878	13,548,366
Depreciation	-	-	681,477
TOTAL OPERATING EXPENSES	<u>\$ 14,918,542</u>	<u>\$ 15,033,878</u>	<u>\$ 14,229,843</u>

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

Parking System Revenue Fund - to account for the provision of public parking services with fees shared with the commuter railroad. All activities are accounted for including administration, operations, maintenance, and collection.

Village Parking System - to account for the provision of village-owned public parking services including the Village Hall parking deck and leased commuter spaces. All activities are accounted for including administration, operations, maintenance, financing, related debt service, and billing and collection.

VILLAGE OF MOUNT PROSPECT, ILLINOIS**COMBINING STATEMENT OF NET POSITION****NONMAJOR ENTERPRISE FUNDS**

December 31, 2017

	Parking System Revenue	Village Parking System	Total
CURRENT ASSETS			
Cash and investments	\$ 178,066	\$ 353,557	\$ 531,623
Total current assets	178,066	353,557	531,623
CAPITAL ASSETS			
Capital assets not being depreciated	-	232,354	232,354
Capital assets being depreciated, cost	364,800	-	364,800
Accumulated depreciation	(364,800)	-	(364,800)
Net capital assets	-	232,354	232,354
Total assets	178,066	585,911	763,977
CURRENT LIABILITIES			
Accounts payable	10,872	1,894	12,766
Accrued payroll	1,030	1,407	2,437
Unearned revenues	15,360	18,915	34,275
Compensated absences payable	507	673	1,180
Total current liabilities	27,769	22,889	50,658
LONG-TERM LIABILITIES			
Compensated absences payable	2,027	2,693	4,720
Net other postemployment benefits obligation	809	3,090	3,899
Total long-term liabilities	2,836	5,783	8,619
Total liabilities	30,605	28,672	59,277
NET POSITION			
Investment in capital assets	-	232,354	232,354
Unrestricted	147,461	324,885	472,346
TOTAL NET POSITION	\$ 147,461	\$ 557,239	\$ 704,700

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Parking System Revenue	Village Parking System	Total
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 154,564	\$ 178,086	\$ 332,650
Rental fees	-	6,661	6,661
Miscellaneous	-	4	4
Convenience fees	1,317	2,682	3,999
	<hr/>		
Total operating revenues	155,881	187,433	343,314
	<hr/>		
OPERATING EXPENSES			
Administration, maintenance, and improvements	149,203	80,670	229,873
	<hr/>		
Total operating expenses	149,203	80,670	229,873
	<hr/>		
OPERATING INCOME	6,678	106,763	113,441
	<hr/>		
NON-OPERATING REVENUES (EXPENSES)			
Investment income	810	2,071	2,881
	<hr/>		
Total non-operating revenues (expenses)	810	2,071	2,881
	<hr/>		
CHANGE IN NET POSITION	7,488	108,834	116,322
	<hr/>		
NET POSITION, JANUARY 1	139,973	448,405	588,378
	<hr/>		
NET POSITION, DECEMBER 31	\$ 147,461	\$ 557,239	\$ 704,700
	<hr/> <hr/>		

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Parking System Revenue	Village Parking System	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 152,484	\$ 180,162	\$ 332,646
Receipts from miscellaneous revenues	1,317	2,686	4,003
Payments to suppliers	(111,802)	(30,021)	(141,823)
Payments to employees	(39,300)	(53,426)	(92,726)
Net cash from operating activities	2,699	99,401	102,100
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	810	2,071	2,881
Net cash from investing activities	810	2,071	2,881
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,509	101,472	104,981
CASH AND CASH EQUIVALENTS, JANUARY 1	174,557	253,703	428,260
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 178,066	\$ 355,175	\$ 533,241

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Parking System Revenue	Village Parking System	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 6,678	\$ 106,763	\$ 113,441
Adjustments to reconcile operating income to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	(1,126)	(7,828)	(8,954)
Accrued payroll and compensated absences	537	735	1,272
Net other postemployment benefits obligation	(1,310)	2,698	1,388
Unearned revenues	(2,080)	(4,585)	(6,665)
NET CASH FROM OPERATING ACTIVITIES	\$ 2,699	\$ 97,783	\$ 100,482

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
PARKING SYSTEM REVENUE FUND**

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 161,000	\$ 161,000	\$ 154,564
Convenience fees	-	-	1,317
			<hr/>
Total operating revenues	161,000	161,000	155,881
			<hr/>
OPERATING EXPENSES			
Administration, maintenance, and improvements	163,759	163,759	149,203
			<hr/>
Total operating expenses	163,759	163,759	149,203
			<hr/>
OPERATING INCOME (LOSS)	(2,759)	(2,759)	6,678
			<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	-	-	810
			<hr/>
Total non-operating revenues (expenses)	-	-	810
			<hr/>
CHANGE IN NET POSITION	\$ (2,759)	\$ (2,759)	7,488
			<hr/>
NET POSITION, JANUARY 1			139,973
			<hr/>
NET POSITION, DECEMBER 31			\$ 147,461
			<hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
PARKING SYSTEM REVENUE FUND**

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 27,691	\$ 27,691	\$ 27,054
Employee benefits	13,104	13,104	11,473
Contractual services	100,040	100,040	99,830
Utilities	11,165	11,165	6,246
Insurance	1,382	1,382	1,382
Commodities and supplies	10,377	10,377	3,218
TOTAL OPERATING EXPENSES	\$ 163,759	\$ 163,759	\$ 149,203

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
VILLAGE PARKING SYSTEM FUND**

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 177,000	\$ 177,000	\$ 178,086
Rental fees	6,600	6,600	6,661
Miscellaneous	-	-	4
Convenience fees	-	-	2,682
Total operating revenues	183,600	183,600	187,433
OPERATING EXPENSES			
Administration, maintenance, and improvements	110,766	110,766	80,670
Total operating expenses	110,766	110,766	80,670
OPERATING INCOME	72,834	72,834	106,763
NON-OPERATING REVENUES (EXPENSES)			
Investment income	500	500	2,071
Total non-operating revenues (expenses)	500	500	2,071
CHANGE IN NET POSITION	\$ 73,334	\$ 73,334	108,834
NET POSITION, JANUARY 1			448,405
NET POSITION, DECEMBER 31			\$ 557,239

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
VILLAGE PARKING SYSTEM FUND**

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 37,805	\$ 37,805	\$ 36,804
Employee benefits	17,708	17,708	20,055
Contractual services	45,757	45,757	22,197
Insurance	1,596	1,596	1,596
Commodities and supplies	541	541	18
Capital expenditures	7,359	7,359	-
TOTAL OPERATING EXPENSES	\$ 110,766	\$ 110,766	\$ 80,670

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Computer Replacement Fund - to account for the acquisition of village computer hardware. Financing is being provided by charges to various village funds.

Risk Management Fund - to account for the servicing and payment of claims for liability, property, casualty coverage, workers' compensation, and medical benefits. Financing is being provided by charges to the various village funds.

Vehicle Replacement Fund - to account for the acquisition and depreciation of village vehicles. Financing is being provided by charges to the various village funds.

Vehicle Maintenance Fund - to account for the maintenance and repair of all village vehicles. Financing is being provided by charges to various village funds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2017

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CURRENT ASSETS					
Cash and investments	\$ 671,253	\$ 2,213,537	\$ 8,555,938	\$ 769,689	\$ 12,210,417
Receivables					
Accrued interest	-	-	8,160	-	8,160
Other	-	22,615	-	1,914	24,529
Due from other governments	-	-	2,338	7,788	10,126
Prepaid items	-	165,686	-	11	165,697
Inventories	-	-	-	308,233	308,233
	<hr/>				
Total current assets	671,253	2,401,838	8,566,436	1,087,635	12,727,162
NONCURRENT ASSETS					
Deposits - insurance	-	2,190,074	-	-	2,190,074
CAPITAL ASSETS					
Capital assets not being depreciated	-	-	1,387,786	-	1,387,786
Capital assets being depreciated, cost	133,797	-	13,496,770	92,062	13,722,629
Accumulated depreciation	(85,816)	-	(8,184,197)	(92,062)	(8,362,075)
	<hr/>				
Net capital assets	47,981	-	6,700,359	-	6,748,340
	<hr/>				
Total assets	719,234	4,591,912	15,266,795	1,087,635	21,665,576
CURRENT LIABILITIES					
Accounts payable	5,737	51,899	20,625	51,190	129,451
Accrued payroll	-	-	-	36,837	36,837
Claims payable	-	1,349,957	-	-	1,349,957
Other payables	-	14,881	-	-	14,881
Compensated absences payable	-	-	-	31,244	31,244
	<hr/>				
Total current liabilities	5,737	1,416,737	20,625	119,271	1,562,370
LONG-TERM LIABILITIES					
Compensated absences payable	-	-	-	124,974	124,974
Claims payable	-	189,713	-	-	189,713
Net other postemployment benefits obligation	-	-	-	51,694	51,694
	<hr/>				
Total long-term liabilities	-	189,713	-	176,668	366,381
	<hr/>				
Total liabilities	5,737	1,606,450	20,625	295,939	1,928,751
NET POSITION					
Investment in capital assets	47,981	-	6,700,359	-	6,748,340
Unrestricted	665,516	2,985,462	8,545,811	791,696	12,988,485
	<hr/>				
TOTAL NET POSITION	\$ 713,497	\$ 2,985,462	\$ 15,246,170	\$ 791,696	\$ 19,736,825

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
OPERATING REVENUES					
Charges for services	\$ 240,829	\$ 6,667,747	\$ 1,656,298	\$ 2,029,964	\$ 10,594,838
Contributions	-	1,398,673	-	-	1,398,673
Miscellaneous	-	48,275	-	-	48,275
Total operating revenues	240,829	8,114,695	1,656,298	2,029,964	12,041,786
OPERATING EXPENSES					
Administration and maintenance	107,911	456,554	40,236	2,046,622	2,651,323
Insurance and claims	-	8,295,721	-	-	8,295,721
Depreciation	13,709	-	697,578	1,593	712,880
Total operating expenses	121,620	8,752,275	737,814	2,048,215	11,659,924
OPERATING INCOME (LOSS)	119,209	(637,580)	918,484	(18,251)	381,862
NON-OPERATING REVENUES (EXPENSES)					
Investment income	3,407	17,170	64,686	4,920	90,183
Gain (loss) on disposal of capital assets	-	-	97,091	(6,373)	90,718
Total non-operating revenues (expenses)	3,407	17,170	161,777	(1,453)	180,901
CHANGES IN NET POSITION	122,616	(620,410)	1,080,261	(19,704)	562,763
NET POSITION, JANUARY 1	590,881	3,605,872	14,165,909	811,400	19,174,062
NET POSITION, DECEMBER 31	\$ 713,497	\$ 2,985,462	\$ 15,246,170	\$ 791,696	\$ 19,736,825

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ -	\$ 2,266,508	\$ -	\$ -	\$ 2,266,508
Receipts from interfund services	240,829	5,799,912	1,645,000	2,029,964	9,715,705
Miscellaneous receipts	-	48,275	11,980	1,983	62,238
Payments to suppliers	(107,254)	(8,411,617)	(98,537)	(843,874)	(9,461,282)
Payments to employees	-	-	-	(1,210,512)	(1,210,512)
Net cash from operating activities	133,575	(296,922)	1,558,443	(22,439)	1,372,657
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
None	-	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	97,091	-	97,091
Acquisition of capital assets	-	-	(2,523,123)	-	(2,523,123)
Net cash from capital and related financing activities	-	-	(2,426,032)	-	(2,426,032)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	3,407	17,170	60,911	4,920	86,408
Net cash from investing activities	3,407	17,170	60,911	4,920	86,408
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	136,982	(279,752)	(806,678)	(17,519)	(966,967)
CASH AND CASH EQUIVALENTS, JANUARY 1	534,271	2,493,289	9,362,616	787,208	13,177,384
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 671,253	\$ 2,213,537	\$ 8,555,938	\$ 769,689	\$ 12,210,417

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	<u>Computer Replacement</u>	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 119,209	\$ (637,580)	\$ 918,484	\$ (18,251)	\$ 381,862
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	13,709	-	697,578	1,593	712,880
Changes in assets and liabilities					
Receivables	-	(22,615)	682	1,983	(19,950)
Inventories	-	-	-	(15,172)	(15,172)
Prepaid items	-	(3,668)	-	1	(3,667)
Deposits - insurance	-	53,948	-	-	53,948
Accounts and others payable	657	(4,157)	(58,301)	(18,664)	(80,465)
Accrued payroll and compensated absences	-	-	-	17,839	17,839
Net other postemployment benefits obligation	-	-	-	8,232	8,232
Claims payable	-	317,150	-	-	317,150
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 133,575</u>	<u>\$ (296,922)</u>	<u>\$ 1,558,443</u>	<u>\$ (22,439)</u>	<u>\$ 1,372,657</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
COMPUTER REPLACEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Refuse Disposal Fund	\$ 713	\$ 713	\$ 713
Water and Sewer Fund	15,264	15,264	15,264
General Fund	224,852	224,852	224,852
Total operating revenues	<u>240,829</u>	<u>240,829</u>	<u>240,829</u>
OPERATING EXPENSES			
Administration			
Capital outlay	314,310	314,310	107,911
Depreciation	-	-	13,709
Total operating expenses	<u>314,310</u>	<u>314,310</u>	<u>121,620</u>
OPERATING INCOME (LOSS)	(73,481)	(73,481)	119,209
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,500	1,500	3,407
CHANGE IN NET POSITION	<u>\$ (71,981)</u>	<u>\$ (71,981)</u>	122,616
NET POSITION, JANUARY 1			<u>590,881</u>
NET POSITION, DECEMBER 31			<u>\$ 713,497</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
COMPUTER REPLACEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Capital outlay	\$ 314,310	\$ 314,310	\$ 107,911
Less capital assets capitalized	-	-	-
Total administration	314,310	314,310	107,911
Depreciation	-	-	13,709
TOTAL OPERATING EXPENSES	\$ 314,310	\$ 314,310	\$ 121,620

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
RISK MANAGEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 6,538,333	\$ 6,538,333	\$ 6,667,747
Contributions	1,320,000	1,428,500	1,398,673
Miscellaneous	1,500	49,000	48,275
Total operating revenues	<u>7,859,833</u>	<u>8,015,833</u>	<u>8,114,695</u>
OPERATING EXPENSES			
Administration	427,525	427,525	456,554
Insurance and claims	7,281,795	8,014,295	8,295,721
Total operating expenses	<u>7,709,320</u>	<u>8,441,820</u>	<u>8,752,275</u>
OPERATING INCOME (LOSS)	150,513	(425,987)	(637,580)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	5,000	5,000	17,170
CHANGE IN NET POSITION	<u>\$ 155,513</u>	<u>\$ (420,987)</u>	(620,410)
NET POSITION, JANUARY 1			<u>3,605,872</u>
NET POSITION, DECEMBER 31			<u>\$ 2,985,462</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
RISK MANAGEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
General Fund	\$ 5,459,063	\$ 5,459,063	\$ 5,582,432
Refuse Disposal Fund	35,942	35,942	35,942
Water and Sewer Fund	154,783	154,783	154,783
Parking System Revenue Fund	1,382	1,382	1,382
Village Parking Fund	1,596	1,596	1,596
Vehicle Maintenance Fund	23,777	23,777	23,777
Library	861,790	861,790	867,835
	<hr/>	<hr/>	<hr/>
Total charges for services	6,538,333	6,538,333	6,667,747
Contributions			
Employee			
Health insurance	499,000	499,000	518,426
Dental insurance	-	88,000	87,912
Additional life insurance	22,000	22,000	24,029
Retiree			
Health insurance	799,000	799,000	748,157
Dental insurance	-	20,500	20,149
	<hr/>	<hr/>	<hr/>
Total contributions	1,320,000	1,428,500	1,398,673
Miscellaneous			
Other reimbursements	1,000	48,500	48,275
Miscellaneous income	500	500	-
	<hr/>	<hr/>	<hr/>
Total miscellaneous	1,500	49,000	48,275
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	\$ 7,859,833	\$ 8,015,833	\$ 8,114,695

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
RISK MANAGEMENT FUND

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Casualty and property program			
Claims administration	\$ 12,000	\$ 12,000	\$ 18,152
Other contractual services	12,000	12,000	28,250
Total casualty and property program	24,000	24,000	46,402
Medical program			
Claims administration	321,525	321,525	340,228
Workers' compensation			
Claims administration	82,000	82,000	69,924
Total administration	427,525	427,525	456,554
INSURANCE AND CLAIMS			
Casualty and property program			
Property insurance	115,000	115,000	94,586
HELP excess liability insurance	128,000	128,000	129,988
Workers' compensation insurance	105,000	105,000	120,310
Faithful performance insurance	4,000	4,000	3,043
Surety bonds	500	500	450
Other insurance	3,000	3,000	3,380
Property claims	1,000	1,000	-
Liability claims	100,000	320,500	260,359
Workers' compensation claims	500,000	572,000	979,940
Auto claims	40,000	40,000	60,817
Village property claims	10,000	10,000	-
Unemployment compensation claims	10,000	10,000	1,837
Tree hazard study	10,000	10,000	6,630
Other claims	10,000	10,000	69
Total casualty and property program	1,036,500	1,329,000	1,661,409
Medical program			
Medical expense - HMO plan	1,369,556	1,369,556	1,301,409
Medical expense - indemnity plan	4,811,339	5,063,339	5,084,026
Medical expense - dental	-	188,000	187,813
Health and wellness supplies	20,000	20,000	14,705
Life insurance	44,400	44,400	46,359
Total medical program	6,245,295	6,685,295	6,634,312
Total insurance and claims	7,281,795	8,014,295	8,295,721
TOTAL OPERATING EXPENSES	\$ 7,709,320	\$ 8,441,820	\$ 8,752,275

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
VEHICLE REPLACEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 1,653,000	\$ 1,653,000	\$ 1,656,298
Total operating revenues	<u>1,653,000</u>	<u>1,653,000</u>	<u>1,656,298</u>
OPERATING EXPENSES			
Administration	-	1,010,232	40,236
Depreciation	-	-	697,578
Total operating expenses	<u>-</u>	<u>1,010,232</u>	<u>737,814</u>
OPERATING INCOME	<u>1,653,000</u>	<u>642,768</u>	<u>918,484</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	20,000	20,000	64,686
Gain on sale of capital assets	-	-	97,091
Total non-operating revenues (expenses)	<u>20,000</u>	<u>20,000</u>	<u>161,777</u>
CHANGE IN NET POSITION	<u>\$ 1,673,000</u>	<u>\$ 662,768</u>	<u>\$ 1,080,261</u>
NET POSITION, JANUARY 1			<u>14,165,909</u>
NET POSITION, DECEMBER 31			<u><u>\$ 15,246,170</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
VEHICLE REPLACEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Manager's office	\$ 3,400	\$ 3,400	\$ 3,400
Community development - planning	1,500	1,500	1,500
Community development - building	1,800	1,800	1,800
Community development - housing	7,300	7,300	7,300
Community development - health	1,500	1,500	1,500
Police department	143,700	143,700	143,700
Fire department	543,700	543,700	543,700
Public works department	451,700	451,700	451,700
Engineering division	10,600	10,600	10,600
Human services	400	400	400
Water and Sewer Fund	479,400	479,400	479,400
Other fee	8,000	8,000	11,298
TOTAL OPERATING REVENUE	\$ 1,653,000	\$ 1,653,000	\$ 1,656,298

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
VEHICLE REPLACEMENT FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING EXPENSES			
Administration			
Capital outlay - police vehicles	\$ 403,000	\$ 433,078	\$ 344,076
Capital outlay - pool vehicles	25,000	25,000	20,283
Capital outlay - fire	648,000	1,468,599	1,075,768
Capital outlay - public works	1,048,000	1,651,139	1,167,693
Less capital assets capitalized	(2,124,000)	(2,567,584)	(2,567,584)
Total administration	-	1,010,232	40,236
Depreciation	-	-	697,578
TOTAL OPERATING EXPENSES	\$ -	\$ 1,010,232	\$ 737,814

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 2,029,964	\$ 2,029,964	\$ 2,029,964
Total operating revenues	2,029,964	2,029,964	2,029,964
OPERATING EXPENSES			
Administration and maintenance	2,174,423	2,174,423	2,046,622
Depreciation	-	-	1,593
Total operating expenses	2,174,423	2,174,423	2,048,215
OPERATING INCOME (LOSS)	(144,459)	(144,459)	(18,251)
NON-OPERATING REVENUES (EXPENSES)			
Loss on sale of capital assets	-	-	(6,373)
Investment income	600	600	4,920
Total non-operating revenues (expenses)	600	600	(1,453)
CHANGE IN NET POSITION	\$ (143,859)	\$ (143,859)	(19,704)
NET POSITION, JANUARY 1			811,400
NET POSITION, DECEMBER 31			\$ 791,696

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Mayor and board	\$ -	\$ -	\$ -
Manager's office	3,045	3,045	3,045
Television services division	3,248	3,248	3,248
Community development - planning	3,045	3,045	3,045
Community development - building	4,263	4,263	4,263
Community development - housing	21,315	21,315	21,315
Community development - health	3,045	3,045	3,045
Police department	517,032	517,032	517,032
Fire department	320,937	320,937	320,937
Public works department	631,725	631,725	631,725
Engineering division	33,088	33,088	33,088
Human service charges	3,045	3,045	3,045
Water and Sewer Fund	486,176	486,176	486,176
TOTAL OPERATING REVENUES	\$ 2,029,964	\$ 2,029,964	\$ 2,029,964

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND**

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Vehicle division administration			
Personal services	\$ 115,797	\$ 115,797	\$ 115,148
Employee benefits	66,271	66,271	86,159
Other employee costs	4,005	4,005	4,032
Contractual services	10,597	10,597	9,971
Utilities	3,259	3,259	5,076
Commodities and supplies	2,002	2,002	1,937
Office equipment	590	590	590
Total vehicle division administration	202,521	202,521	222,913
Vehicle maintenance program			
Personal services	869,882	869,882	918,928
Employee benefits	335,233	335,233	346,644
Contractual services	95,886	95,886	85,674
Commodities and supplies	667,113	667,113	468,675
Other equipment	3,788	3,788	3,788
Total vehicle maintenance program	1,971,902	1,971,902	1,823,709
Total administration and maintenance	2,174,423	2,174,423	2,046,622
Depreciation	-	-	1,593
TOTAL OPERATING EXPENSES	\$ 2,174,423	\$ 2,174,423	\$ 2,048,215

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension Fund - to account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Police Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee withholdings, and investment income.

Firefighters' Pension Fund - to account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Fire Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee withholdings, and investment income.

AGENCY FUNDS

Escrow Deposit Fund - to account for refundable deposits held by the Village to ensure the completion of public improvements. The money is held by the Village until the improvements are completed.

Flexcomp Escrow Fund - to account for employee payroll deductions pursuant to a Section 125 flexible compensation plan. The money is reimbursed to employees for qualified medical and dependent care expenses.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS**

December 31, 2017

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,232,315	\$ 1,068,368	\$ 2,300,683
Investments			
State and local obligations	2,046,737	481,342	2,528,079
U.S. Government and U.S. agency obligations	10,512,229	12,312,200	22,824,429
Corporate bonds and obligations	10,620,264	9,465,491	20,085,755
Real estate	-	3,183,460	3,183,460
Mutual funds	46,550,389	39,595,895	86,146,284
	<hr/>		
Total cash and investments	70,961,934	66,106,756	137,068,690
Accrued interest receivable	150,155	132,206	282,361
Due from other funds	-	41,918	41,918
Prepays	1,162	1,669	2,831
	<hr/>		
Total assets	71,113,251	66,282,549	137,395,800
LIABILITIES			
Accounts payable	38,535	17,209	55,744
Due to other funds	5,654	-	5,654
	<hr/>		
Total liabilities	44,189	17,209	61,398
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 71,069,062</u>	<u>\$ 66,265,340</u>	<u>\$ 137,334,402</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2017

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,747,825	\$ 3,396,834	\$ 7,144,659
Plan members	1,260,472	678,476	1,938,948
Total contributions	<u>5,008,297</u>	<u>4,075,310</u>	<u>9,083,607</u>
Investment income			
Interest earned	763,695	640,447	1,404,142
Net change in fair value	8,325,232	8,774,095	17,099,327
Less investment expenses	(121,912)	(91,173)	(213,085)
Net investment income	<u>8,967,015</u>	<u>9,323,369</u>	<u>18,290,384</u>
Total additions	<u>13,975,312</u>	<u>13,398,679</u>	<u>27,373,991</u>
DEDUCTIONS			
Administration	48,339	50,783	99,122
Benefits and refunds	4,834,597	5,427,385	10,261,982
Total deductions	<u>4,882,936</u>	<u>5,478,168</u>	<u>10,361,104</u>
NET INCREASE	9,092,376	7,920,511	17,012,887
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>61,976,686</u>	<u>58,344,829</u>	<u>120,321,515</u>
December 31	<u>\$ 71,069,062</u>	<u>\$ 66,265,340</u>	<u>\$ 137,334,402</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL
POLICE PENSION FUND**

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADDITIONS			
Contributions			
Employer	\$ 3,838,125	\$ 4,169,125	\$ 3,747,825
Plan members	770,000	1,200,500	1,260,472
Other	500	500	-
Total contributions	4,608,625	5,370,125	5,008,297
Investment income			
Interest earned	798,500	798,500	763,695
Net change in fair value	3,118,000	8,707,000	8,325,232
Less investment expenses	(116,000)	(116,000)	(121,912)
Net investment income	3,800,500	9,389,500	8,967,015
Total additions	8,409,125	14,759,625	13,975,312
DEDUCTIONS			
Administration	65,600	65,600	48,339
Benefits and refunds	4,756,710	4,856,210	4,834,597
Total deductions	4,822,310	4,921,810	4,882,936
NET INCREASE	\$ 3,586,815	\$ 9,837,815	9,092,376
NET POSITION RESTRICTED FOR PENSIONS			
January 1			61,976,686
December 31			\$ 71,069,062

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND**

For the Year Ended December 31, 2017

	Budget		Actual
	Original	Final	
ADDITIONS			
Contributions			
Employer	\$ 3,410,580	\$ 3,819,080	\$ 3,396,834
Plan members	680,000	680,000	678,476
Other	500	500	-
Total contributions	4,091,080	4,499,580	4,075,310
Investment income			
Interest earned	625,500	625,500	640,447
Net change in fair value	3,286,000	9,091,000	8,774,095
Less investment expenses	(91,000)	(91,000)	(91,173)
Net investment income	3,820,500	9,625,500	9,323,369
Total additions	7,911,580	14,125,080	13,398,679
DEDUCTIONS			
Administration	68,600	68,600	50,783
Benefits and refunds	5,189,810	5,428,310	5,427,385
Total deductions	5,258,410	5,496,910	5,478,168
NET INCREASE	\$ 2,653,170	\$ 8,628,170	7,920,511
NET POSITION RESTRICTED FOR PENSIONS			
January 1			58,344,829
December 31			\$ 66,265,340

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2017

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and investments	\$ 1,368,315	\$ 1,355,766	\$ 1,597,457	\$ 1,126,624
Due from other funds	-	10,601	10,601	-
Deposits	7,140	-	-	7,140
Other receivables	-	83	83	-
TOTAL ASSETS	\$ 1,375,455	\$ 1,366,450	\$ 1,608,141	\$ 1,133,764
LIABILITIES				
Deposits payable	\$ 1,375,455	\$ 1,024,514	\$ 1,266,205	\$ 1,133,764
Due to other funds	-	147,172	147,172	-
Other liabilities	-	715,204	715,204	-
TOTAL LIABILITIES	\$ 1,375,455	\$ 1,886,890	\$ 2,128,581	\$ 1,133,764
1. Escrow Deposit Fund				
ASSETS				
Cash and investments	\$ 1,342,992	\$ 1,085,803	\$ 1,329,344	\$ 1,099,451
Due from other funds	-	10,601	10,601	-
Other receivables	-	83	83	-
TOTAL ASSETS	\$ 1,342,992	\$ 1,096,487	\$ 1,340,028	\$ 1,099,451
LIABILITIES				
Deposits payable	\$ 1,342,992	\$ 754,413	\$ 997,954	\$ 1,099,451
Due to other funds	-	140,953	140,953	-
Other liabilities	-	715,204	715,204	-
TOTAL LIABILITIES	\$ 1,342,992	\$ 1,610,570	\$ 1,854,111	\$ 1,099,451

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2017

	Balances				Balances	
	January 1	Additions	Deductions		December 31	
2. Flexcomp Escrow Fund						
ASSETS						
Cash and investments	\$ 25,323	\$ 269,963	\$ 268,113	\$	27,173	
Deposits	7,140	-	-		7,140	
TOTAL ASSETS	\$ 32,463	\$ 269,963	\$ 268,113	\$	34,313	
LIABILITIES						
Deposits payable	\$ 32,463	\$ 270,101	\$ 268,251	\$	34,313	
Due to other funds	-	6,219	6,219		-	
TOTAL LIABILITIES	\$ 32,463	\$ 276,320	\$ 274,470	\$	34,313	

(See independent auditor's report.)

SUPPLEMENTAL DATA

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

To account for the noncurrent portion of the Village's General Obligation Bond Issues, IEPA flood loans, installment contracts and notes payable, net pension liabilities, compensated absences, and other postemployment benefits obligations.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
SCHEDULE OF GENERAL LONG-TERM DEBT
LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

December 31, 2017

	General Obligation Bonds of 2009	General Obligation Bonds of 2009B	General Obligation Bonds of 2009C	General Obligation Bonds of 2011B	General Obligation Bonds of 2012	General Obligation Bonds of 2013	General Obligation Bonds of 2014	General Obligation Bonds of 2016	General Obligation Bonds of 2016A	General Obligation Bonds of 2017	Loan Contracts Payable
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT											
Amount to be provided for retirement of general long-term debt	\$ 600,000	\$ 1,400,000	\$ 2,455,000	\$ 2,265,000	\$ 1,745,000	\$ 9,800,000	\$ 5,080,000	\$ 7,360,000	\$ 8,980,000	\$ 4,815,000	\$ 170,271
TOTAL	\$ 600,000	\$ 1,400,000	\$ 2,455,000	\$ 2,265,000	\$ 1,745,000	\$ 9,800,000	\$ 5,080,000	\$ 7,360,000	\$ 8,980,000	\$ 4,815,000	\$ 170,271
GENERAL LONG-TERM DEBT PAYABLE											
General obligation bonds payable	\$ 600,000	\$ 1,400,000	\$ 2,455,000	\$ 2,265,000	\$ 1,745,000	\$ 9,800,000	\$ 5,080,000	\$ 7,360,000	\$ 8,980,000	\$ 4,815,000	\$ -
IEPA flood loans	-	-	-	-	-	-	-	-	-	-	170,271
Installment notes payable	-	-	-	-	-	-	-	-	-	-	-
Business district limited tax note payable	-	-	-	-	-	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-	-	-	-	-	-
Net pension liability - IMRF	-	-	-	-	-	-	-	-	-	-	-
Net pension liability - Police Pension	-	-	-	-	-	-	-	-	-	-	-
Net pension liability - Firefighters' Pension	-	-	-	-	-	-	-	-	-	-	-
Unamortized bond premiums	-	-	-	-	-	-	-	-	-	-	-
Net other postemployment benefit obligation	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 600,000	\$ 1,400,000	\$ 2,455,000	\$ 2,265,000	\$ 1,745,000	\$ 9,800,000	\$ 5,080,000	\$ 7,360,000	\$ 8,980,000	\$ 4,815,000	\$ 170,271

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF GENERAL LONG-TERM DEBT (Continued)
LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

December 31, 2017

	Installment Notes	Business District Limited Tax Note	Compensated Absences	Net Pension Liability - IMRF	Net Pension Liability - Police	Net Pension Liability - Firefighters	Unamortized Bond Premiums	Net Other Postemployment Benefit Obligation	Total
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT									
Amount to be provided for retirement of general long-term debt	\$ 1,105,000	\$ 32,525,273	\$ 3,771,826	\$ 6,289,542	\$ 43,096,949	\$ 38,857,145	\$ 1,284,843	\$ 2,031,531	\$ 173,632,380
TOTAL	\$ 1,105,000	\$ 32,525,273	\$ 3,771,826	\$ 6,289,542	\$ 43,096,949	\$ 38,857,145	\$ 1,284,843	\$ 2,031,531	\$ 173,632,380
GENERAL LONG-TERM DEBT PAYABLE									
General obligation bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,500,000
IEPA flood loans	-	-	-	-	-	-	-	-	170,271
Installment notes payable	1,105,000	-	-	-	-	-	-	-	1,105,000
Business district limited tax note payable	-	32,525,273	-	-	-	-	-	-	32,525,273
Compensated absences payable	-	-	3,771,826	-	-	-	-	-	3,771,826
Net pension liability - IMRF	-	-	-	6,289,542	-	-	-	-	6,289,542
Net pension liability - Police Pension	-	-	-	-	43,096,949	-	-	-	43,096,949
Net pension liability - Firefighters' Pension	-	-	-	-	-	38,857,145	-	-	38,857,145
Unamortized bond premiums	-	-	-	-	-	-	1,284,843	-	1,284,843
Net other postemployment benefit obligation	-	-	-	-	-	-	-	2,031,531	2,031,531
TOTAL	\$ 1,105,000	\$ 32,525,273	\$ 3,771,826	\$ 6,289,542	\$ 43,096,949	\$ 38,857,145	\$ 1,284,843	\$ 2,031,531	\$ 173,632,380

(See independent auditor's report.)

LONG-TERM DEBT REQUIREMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2009

December 31, 2017

Date of Issue	March 11, 2009
Date of Maturity	December 1, 2028
Authorized Issue	\$10,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.005% to 4.500%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	-	\$ -	\$ 24,000	\$ 24,000	2018	\$ 12,000	2018	\$ 12,000
2018	-	-	24,000	24,000	2019	12,000	2019	12,000
2019	-	-	24,000	24,000	2020	12,000	2020	12,000
2020	-	-	24,000	24,000	2021	12,000	2021	12,000
2021	-	-	24,000	24,000	2022	12,000	2022	12,000
2022	-	-	24,000	24,000	2023	12,000	2023	12,000
2023	41-559	600,000	24,000	624,000	2024	12,000	2024	12,000
		<u>\$ 600,000</u>	<u>\$ 168,000</u>	<u>\$ 768,000</u>	<u>\$ 84,000</u>		<u>\$ 84,000</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2009B

December 31, 2017

Date of Issue	December 22, 2009
Date of Maturity	December 1, 2021
Authorized Issue	\$3,430,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% to 3.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	407-472	\$ 330,000	\$ 51,675	\$ 381,675	2018	\$ 25,837	2018	\$ 25,838
2018	473-540	340,000	40,125	380,125	2019	20,062	2019	20,063
2019	541-612	360,000	27,375	387,375	2020	13,687	2020	13,688
2020	613-686	370,000	13,875	383,875	2021	6,937	2021	6,938
		<u>\$ 1,400,000</u>	<u>\$ 133,050</u>	<u>\$ 1,533,050</u>		<u>\$ 66,523</u>		<u>\$ 66,527</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
TAXABLE GENERAL OBLIGATION BONDS OF 2009C

December 31, 2017

Date of Issue	December 22, 2009
Date of Maturity	December 1, 2029
Authorized Issue	\$2,650,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 5.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	40-58	\$ 95,000	\$ 127,655	\$ 222,655	2018	\$ 63,828	2018	\$ 63,827
2018	59-82	120,000	123,380	243,380	2019	61,690	2019	61,690
2019	83-110	140,000	118,100	258,100	2020	59,050	2020	59,050
2020	111-142	160,000	111,520	271,520	2021	55,760	2021	55,760
2021	143-242	500,000	104,000	604,000	2022	52,000	2022	52,000
2022	243-330	440,000	79,500	519,500	2023	39,750	2023	39,750
2023	-	-	57,500	57,500	2024	28,750	2024	28,750
2024	-	-	57,500	57,500	2025	28,750	2025	28,750
2025	-	-	57,500	57,500	2026	28,750	2026	28,750
2026	-	-	57,500	57,500	2027	28,750	2027	28,750
2027	-	-	57,500	57,500	2028	28,750	2028	28,750
2028	331-530	1,000,000	57,500	1,057,500	2029	28,750	2029	28,750
		<u>\$ 2,455,000</u>	<u>\$ 1,009,155</u>	<u>\$ 3,464,155</u>		<u>\$ 504,578</u>		<u>\$ 504,577</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2011B

December 31, 2017

Date of Issue	July 29, 2011
Date of Maturity	December 1, 2020
Authorized Issue	\$5,160,000
Denomination of Bonds	\$5,000
Interest Rates	2.52%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	JP Morgan Chase

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	580-726	\$ 735,000	\$ 57,078	\$ 792,078	2018	\$ 28,539	2018	\$ 28,539
2018	727-877	755,000	38,556	793,556	2019	19,278	2019	19,278
2019	878-1032	775,000	19,530	794,530	2020	9,765	2020	9,765
		<u>\$ 2,265,000</u>	<u>\$ 115,164</u>	<u>\$ 2,380,164</u>		<u>\$ 57,582</u>		<u>\$ 57,582</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2012

December 31, 2017

Date of Issue	January 3, 2012
Date of Maturity	December 1, 2022
Authorized Issue	\$2,975,000
Denomination of Bonds	\$5,000
Interest Rates	3.10%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	JP Morgan Chase

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	-	\$ -	\$ 54,096	\$ 54,096	2018	\$ 27,048	2018	\$ 27,048
2018	-	-	54,096	54,096	2019	27,048	2019	27,048
2019	-	-	54,096	54,096	2020	27,048	2020	27,048
2020	247-418	860,000	54,096	914,096	2021	27,048	2021	27,048
2021	419-595	885,000	27,436	912,436	2022	13,718	2022	13,718
		<u>\$ 1,745,000</u>	<u>\$ 243,820</u>	<u>\$ 1,988,820</u>			<u>\$ 121,910</u>	<u>\$ 121,910</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013

December 31, 2017

Date of Issue	September 10, 2013
Date of Maturity	December 1, 2033
Authorized Issue	\$9,800,000
Denomination of Bonds	\$5,000
Interest Rates	3.000% to 4.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	-	\$ -	\$ 369,956	\$ 369,956	2018	\$ 184,978	2018	\$ 184,978
2018	-	-	369,956	369,956	2019	184,978	2019	184,978
2019	1-111	555,000	369,956	924,956	2020	184,978	2020	184,978
2020	112-225	570,000	353,306	923,306	2021	176,653	2021	176,653
2021	226-342	585,000	336,206	921,206	2022	168,103	2022	168,103
2022	343-463	605,000	318,656	923,656	2023	159,328	2023	159,328
2023	464-588	625,000	300,506	925,506	2024	150,253	2024	150,253
2024	589-718	650,000	275,506	925,506	2025	137,753	2025	137,753
2025	719-853	675,000	249,506	924,506	2026	124,753	2026	124,753
2026	854-993	700,000	222,506	922,506	2027	111,253	2027	111,253
2027	994-1139	730,000	194,506	924,506	2028	97,253	2028	97,253
2028	1140-1291	760,000	165,307	925,307	2029	82,653	2029	82,654
2029	1292-1449	790,000	134,907	924,907	2030	67,453	2030	67,454
2030	1450-1613	820,000	103,307	923,307	2031	51,653	2031	51,654
2031	1614-1783	850,000	70,507	920,507	2032	35,253	2032	35,254
2032	1784-1960	885,000	36,507	921,507	2033	18,253	2033	18,254
		<u>\$ 9,800,000</u>	<u>\$ 3,871,101</u>	<u>\$ 13,671,101</u>	<u>\$ 1,935,548</u>		<u>\$ 1,935,553</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2014

December 31, 2017

Date of Issue	February 4, 2014
Date of Maturity	December 1, 2023
Authorized Issue	\$6,290,000
Denomination of Bonds	\$5,000
Interest Rate	3%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	243-323	\$ 405,000	\$ 152,400	\$ 557,400	2018	\$ 76,200	2018	\$ 76,200
2018	324-435	560,000	140,250	700,250	2019	70,125	2019	70,125
2019	436-587	760,000	123,450	883,450	2020	61,725	2020	61,725
2020	588-780	965,000	100,650	1,065,650	2021	50,325	2021	50,325
2021	781-1005	1,125,000	71,700	1,196,700	2022	35,850	2022	35,850
2022	1006-1258	1,265,000	37,950	1,302,950	2023	18,975	2023	18,975
		<u>\$ 5,080,000</u>	<u>\$ 626,400</u>	<u>\$ 5,706,400</u>		<u>\$ 313,200</u>		<u>\$ 313,200</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2016

December 31, 2017

Date of Issue	September 8, 2016
Date of Maturity	December 1, 2022
Authorized Issue	\$8,735,000
Denomination of Bonds	\$5,000
Interest Rate	2% to 3%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zions Bancorporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	0296-0573	\$ 1,400,000	\$ 176,150	\$ 1,576,150	2018	\$ 88,075	2018	\$ 88,075
2018	0574-0860	1,425,000	148,150	1,573,150	2019	74,075	2019	74,075
2019	0861-1156	1,470,000	105,400	1,575,400	2020	52,700	2020	52,700
2020	1157-1461	1,515,000	61,300	1,576,300	2021	30,650	2021	30,650
2021	1462-1776	1,550,000	31,000	1,581,000	2022	15,500	2022	15,500
		<u>\$ 7,360,000</u>	<u>\$ 522,000</u>	<u>\$ 7,882,000</u>		<u>\$ 261,000</u>		<u>\$ 261,000</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2016A

December 31, 2017

Date of Issue	December 1, 2016
Date of Maturity	December 1, 2028
Authorized Issue	\$9,100,000
Denomination of Bonds	\$5,000
Interest Rates	3%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zions Bancorporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	0025-0048	\$ 120,000	\$ 269,400	\$ 389,400	2018	\$ 134,700	2018	\$ 134,700
2018	-	-	265,800	265,800	2019	132,900	2019	132,900
2019	-	-	265,800	265,800	2020	132,900	2020	132,900
2020	-	-	265,800	265,800	2021	132,900	2021	132,900
2021	-	-	265,800	265,800	2022	132,900	2022	132,900
2022	0049-0151	515,000	265,800	780,800	2023	132,900	2023	132,900
2023	0152-0363	1,060,000	250,350	1,310,350	2024	125,175	2024	125,175
2024	0364-0711	1,740,000	218,550	1,958,550	2025	109,275	2025	109,275
2025	0712-1070	1,795,000	166,350	1,961,350	2026	83,175	2026	83,175
2026	1071-1439	1,845,000	112,500	1,957,500	2027	56,250	2027	56,250
2027	1440-1820	1,905,000	57,150	1,962,150	2028	28,575	2028	28,575
		<u>\$ 8,980,000</u>	<u>\$ 2,403,300</u>	<u>\$ 11,383,300</u>		<u>\$ 1,201,650</u>		<u>\$ 1,201,650</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2017**

December 31, 2017

Date of Issue	December 20, 2017
Date of Maturity	December 1, 2037
Authorized Issue	\$9,740,000
Denomination of Bonds	\$5,000
Interest Rates	2.50% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Mesirow Financial

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2017	\$ 125,000	\$ 308,321	\$ 433,321	2018	\$ 145,571	2018	\$ 162,750
2018	125,000	320,501	445,501	2019	160,250	2019	160,250
2019	140,000	315,501	455,501	2020	157,750	2020	157,750
2020	290,000	309,901	599,901	2021	154,950	2021	154,950
2021	315,000	298,301	613,301	2022	149,150	2022	149,150
2022	345,000	285,701	630,701	2023	142,850	2023	142,850
2023	375,000	271,901	646,901	2024	135,950	2024	135,950
2024	405,000	256,901	661,901	2025	128,450	2025	128,450
2025	440,000	240,701	680,701	2026	120,350	2026	120,350
2026	465,000	227,501	692,501	2027	113,750	2027	113,750
2027	500,000	215,876	715,876	2028	107,938	2028	107,938
2028	530,000	202,750	732,750	2029	101,375	2029	101,375
2029	565,000	188,175	753,175	2030	94,088	2030	94,088
2030	600,000	171,932	771,932	2031	85,966	2031	85,966
2031	640,000	147,932	787,932	2032	73,966	2032	73,966
2032	690,000	122,332	812,332	2033	61,166	2033	61,166
2033	730,000	100,770	830,770	2034	50,384	2034	50,384
2034	775,000	77,956	852,956	2035	38,978	2035	38,978
2035	820,000	53,738	873,738	2036	26,869	2036	26,869
2036	865,000	28,112	893,112	2037	14,056	2037	14,056
	<u>\$ 9,740,000</u>	<u>\$ 4,144,803</u>	<u>\$ 13,884,803</u>		<u>\$ 2,063,807</u>		<u>\$ 2,080,986</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
IEPA FLOOD LOAN (L17-1087) CONTRACT PAYABLE OF 1999**

December 31, 2017

Date of Issue	December 1, 1999
Date of Maturity	June 3, 2019
Authorized Issue	\$1,760,422
Interest Rates	2.625%
Interest Dates	June 3 and December 3
Principal Maturity Date	June 3
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Total
2018	37-38	\$ 112,771	\$ 3,735	\$ 116,506
2019	39	57,500	754	58,254
		<u>\$ 170,271</u>	<u>\$ 4,489</u>	<u>\$ 174,760</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
INSTALLMENT NOTE PAYABLE OF 2012

December 31, 2017

Date of Issue	December 31, 2012
Date of Maturity	December 1, 2019
Authorized Issue	\$2,500,000
Denomination of Bonds	\$5,000
Interest Rates	0.91%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Mount Prospect State Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	December 1	Amount	
2018	11-12	\$ 515,000	\$ 10,056	\$ 525,056	2018	\$ 5,028	2018	\$ 5,028
2019	13-14	590,000	5,369	595,369	2019	2,684	2019	2,685
		<u>\$ 1,105,000</u>	<u>\$ 15,425</u>	<u>\$ 1,120,425</u>		<u>\$ 7,712</u>		<u>\$ 7,713</u>

(See independent auditor's report.)

ADDITIONAL SUPPLEMENTAL DATA

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2017

Type of Coverage	Self-Insured Retention	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
Property & Inland Marine	\$ 25,000	\$ 101,804,765	None	Hartford	1/1/2018
Excess Workers' Compensation	650,000	Statutory	\$ 1,000,000	Safety National Insurance Co.	1/1/2018
General Liability	2,000,000	None	None	Self-Insured	N/A
Automobile Liability	2,000,000	None	None	Self-Insured	N/A
Employment Practices Liability	2,000,000	None	None	Self-Insured	N/A
Police Professional Liability	2,000,000	None	None	Self-Insured	N/A
Public Officials' Liability (Errors and Omissions)	2,000,000	None	None	Self-Insured	N/A
Excess Liability	2,000,000	13,000,000	13,000,000	High-Level Excess Liability Pool	N/A
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	8/1/2018
Fiduciary Liability - Firefighters' Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	8/1/2018
Public Employee Dishonesty	5,000	100,000	None	Travelers	5/1/2018
Depositors Forgery	1,000	100,000	None	Travelers	5/1/2018
Public Officials Bond - President	-	100,000	100,000	Liberty Mutual	5/1/2018
Public Officials Bond - Manager	-	100,000	100,000	Liberty Mutual	5/1/2018
Public Officials Bond - Village Treasurer	-	250,000	250,000	Liberty Mutual	5/1/2018
Contingent Tax Interruption	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb/Hartford	1/1/2018
Employee and Retiree Health Insurance	35,000/125,000	None	None	Intergovernmental Personal Benefit Cooperative	6/30/2018
Third Party Administrators					
Workers' Compensation Claims Administration	N/A	N/A	N/A	MCSA Cooperative (CCMSI third-party administrator)	N/A
Liability Claims Administration	N/A	N/A	N/A	Gallagher Bassett	N/A

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Mount Prospect, 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(s)</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.	181-190
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	191-199
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.	200-203
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.	204-205
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	206-210

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 29,663,909	\$ 27,741,453	\$ 30,020,260	\$ 53,524,378
Restricted	2,367,670	4,497,173	4,891,298	2,828,903
Unrestricted	21,216,625	20,277,880	18,296,001	20,019,184
TOTAL GOVERNMENTAL ACTIVITIES	\$ 53,248,204	\$ 52,516,506	\$ 53,207,559	\$ 76,372,465
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 20,776,324	\$ 22,412,134	\$ 23,044,064	\$ 26,892,474
Unrestricted	6,852,644	5,996,007	5,927,430	5,167,986
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 27,628,968	\$ 28,408,141	\$ 28,971,494	\$ 32,060,460
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 50,440,233	\$ 50,153,587	\$ 53,064,324	\$ 80,416,852
Restricted	2,367,670	4,497,173	4,891,298	2,828,903
Unrestricted	28,069,269	26,273,887	24,223,431	25,187,170
TOTAL PRIMARY GOVERNMENT	\$ 80,877,172	\$ 80,924,647	\$ 82,179,053	\$ 108,432,925

* The unrestricted net position decreased in 2014 due to the recognition of the business district limited tax note payable.

**The Village implemented GASB Statement No. 68 in fiscal year 2015.

Data Source

Audited Financial Statements

2012	2013	2014*	2015**	2016	2017
\$ 48,521,357	\$ 48,152,760	\$ 46,326,047	\$ 43,755,661	\$ 33,224,875	\$ 34,171,129
3,547,328	3,045,922	4,186,505	5,319,794	4,557,424	4,104,560
24,952,139	24,153,907	(10,441,020)	(99,563,419)	(91,778,462)	(95,150,426)
\$ 77,020,824	\$ 75,352,589	\$ 40,071,532	\$ (50,487,964)	\$ (53,996,163)	\$ (56,874,737)
\$ 26,566,375	\$ 26,352,289	\$ 26,854,967	\$ 36,336,899	\$ 36,588,628	\$ 35,765,755
6,820,901	8,057,996	7,734,851	5,580,049	4,610,400	6,266,907
\$ 33,387,276	\$ 34,410,285	\$ 34,589,818	\$ 41,916,948	\$ 41,199,028	\$ 42,032,662
\$ 75,087,732	\$ 74,505,049	\$ 73,181,014	\$ 80,092,560	\$ 79,613,503	\$ 69,936,884
3,547,328	3,045,922	4,186,505	5,319,794	4,557,424	4,104,560
31,773,040	32,211,903	(2,706,169)	(93,983,370)	(96,968,062)	(88,883,519)
\$ 110,408,100	\$ 109,762,874	\$ 74,661,350	\$ (8,571,016)	\$ (12,797,135)	\$ (14,842,075)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental Activities				
General government	\$ 6,682,541	\$ 7,192,572	\$ 6,541,405	\$ 6,992,107
Public safety	26,646,855	27,172,360	27,303,165	27,276,948
Highways and streets	13,540,232	12,101,419	12,924,872	18,141,803
Health	4,163,354	4,194,045	4,133,883	4,289,103
Welfare	1,744,504	2,316,995	2,039,805	1,902,841
Culture and recreation	409,066	367,635	322,553	353,308
Interest	837,127	1,047,961	1,146,789	1,329,499
Total governmental activities expenses	54,023,679	54,392,987	54,412,472	60,285,609
Business-Type Activities				
Water and sewer	9,179,399	9,393,148	9,950,591	10,444,247
Commuter parking	263,394	233,701	284,607	327,224
Total business-type activities expenses	9,442,793	9,626,849	10,235,198	10,771,471
TOTAL PRIMARY GOVERNMENTAL EXPENSES	\$ 63,466,472	\$ 64,019,836	\$ 64,647,670	\$ 71,057,080
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 5,045,338	\$ 6,705,200	\$ 6,271,966	\$ 6,343,828
Public safety	2,242,952	1,580,052	1,486,144	1,545,333
Highway and streets	169,615	237,786	135,641	108,865
Other activities	320,488	65,933	70,964	32,040
Operating grants and contributions	1,800,781	2,551,348	2,338,965	2,749,168
Capital grants and contributions	764,283	406,734	443,278	65,905
Total governmental activities program revenues	10,343,457	11,547,053	10,746,958	10,845,139
Business-Type Activities				
Charges for services				
Water and sewer	8,774,681	8,500,396	8,916,621	9,081,731
Commuter parking	269,400	218,735	210,324	219,040
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	9,044,081	8,719,131	9,126,945	9,300,771
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 19,387,538	\$ 20,266,184	\$ 19,873,903	\$ 20,145,910
NET REVENUE (EXPENSE)				
Governmental activities	\$ (43,680,222)	\$ (42,845,934)	\$ (43,665,514)	\$ (49,440,470)
Business-type activities	(398,712)	(907,718)	(1,108,253)	(1,470,700)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (44,078,934)	\$ (43,753,652)	\$ (44,773,767)	\$ (50,911,170)

2012	2013	2014	2015*	2016	2017
\$ 6,233,324	\$ 7,356,433	\$ 10,171,883	\$ 11,514,091	\$ 9,949,082	\$ 10,690,075
28,134,173	29,771,502	30,812,251	38,535,612	38,328,609	37,351,039
15,853,017	18,570,593	19,923,120	26,650,772	19,990,440	16,176,313
4,407,533	4,459,897	4,591,946	4,538,800	4,620,982	4,557,211
1,909,062	1,868,952	1,844,911	1,813,254	2,109,733	2,068,368
406,606	443,171	425,217	453,534	515,555	611,653
1,033,923	1,016,337	2,899,466	2,064,448	1,926,793	2,049,953
57,977,638	63,486,885	70,668,794	85,570,511	77,441,194	73,504,612
11,129,942	12,078,221	13,779,500	14,143,610	16,054,624	14,308,117
345,715	346,303	329,988	269,619	390,118	229,873
11,475,657	12,424,524	14,109,488	14,413,229	16,444,742	14,537,990
\$ 69,453,295	\$ 75,911,409	\$ 84,778,282	\$ 99,983,740	\$ 93,885,936	\$ 88,042,602
\$ 7,068,010	\$ 6,908,188	\$ 7,785,745	\$ 4,458,450	\$ 4,496,290	\$ 4,178,495
1,412,279	1,583,328	1,712,860	1,796,729	1,795,838	1,761,708
126,660	269,066	414,316	183,246	290,172	169,389
39,163	41,220	515,095	4,467,864	4,799,080	4,616,263
1,974,867	2,356,665	2,209,036	1,912,795	2,629,030	2,705,584
72,175	288,752	140,181	47,274	-	159,682
10,693,154	11,447,219	12,777,233	12,866,358	14,010,410	13,591,121
10,990,923	11,507,264	11,970,681	12,434,405	12,931,867	13,395,619
225,214	234,458	254,784	261,745	334,102	343,314
-	-	373,498	8,889,998	244,423	-
11,216,137	11,741,722	12,598,963	21,586,148	13,510,392	13,738,933
\$ 21,909,291	\$ 23,188,941	\$ 25,376,196	\$ 34,452,506	\$ 27,520,802	\$ 27,330,054
\$ (47,284,484)	\$ (52,039,666)	\$ (57,891,561)	\$ (72,704,153)	\$ (63,430,784)	\$ (59,913,491)
(259,520)	(682,802)	(1,510,525)	7,172,919	(2,934,350)	(799,057)
\$ (47,544,004)	\$ (52,722,468)	\$ (59,402,086)	\$ (65,531,234)	\$ (66,365,134)	\$ (60,712,548)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 15,942,106	\$ 16,543,215	\$ 17,165,849	\$ 17,942,394
Utility	-	4,519,175	4,589,221	4,624,678
Business district	-	-	-	-
Home rule sales	14,862,634	4,061,202	4,392,753	4,673,134
Telecommunications	2,770,473	-	-	-
Other	10,346,444	1,524,823	1,598,056	1,976,997
Intergovernmental				
State sales and use	-	9,761,726	11,110,707	11,411,781
Income taxes	-	4,573,162	4,428,176	4,328,196
Replacement taxes	-	338,134	362,532	357,596
Property tax TIF rebate	-	-	-	-
Charitable games tax	-	-	-	3,986
Investment income	416,673	187,793	67,001	29,043
Miscellaneous	93,781	605,006	633,902	235,167
Transfers	-	-	8,370	-
Contributions	51,120	-	-	-
Total governmental activities	44,483,231	42,114,236	44,356,567	45,582,972
Business-Type Activities				
Property tax	1,505,394	1,520,602	1,513,114	1,526,828
Home rule sales tax	92,154	82,882	89,942	107,576
Investment income	159,150	26,646	1,653	836
Miscellaneous	-	56,761	75,267	73,858
Transfers	-	-	(8,370)	-
Total business-type activities	1,756,698	1,686,891	1,671,606	1,709,098
TOTAL PRIMARY GOVERNMENT	\$ 46,239,929	\$ 43,801,127	\$ 46,028,173	\$ 47,292,070
CHANGE IN NET POSITION				
Governmental activities	\$ 803,009	\$ (731,698)	\$ 691,053	\$ (3,857,498)
Business-type activities	1,357,986	779,173	563,353	238,398
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,160,995	\$ 47,475	\$ 1,254,406	\$ (3,619,100)

* The Village implemented GASB Statement No. 68 in fiscal year 2015.

Data Source

Audited Financial Statements

	2012	2013	2014	2015*	2016	2017
\$	18,385,422	\$ 18,890,542	\$ 19,745,699	\$ 19,884,986	\$ 20,463,758	\$ 18,396,040
	4,658,265	3,891,713	4,093,596	3,774,729	3,629,525	3,491,473
	283,706	317,527	331,933	342,040	341,340	322,936
	4,750,232	5,035,998	5,320,795	5,367,762	5,553,213	5,365,011
	-	-	-	-	-	-
	2,408,064	2,952,665	3,421,604	3,940,993	3,645,424	3,804,231
	11,877,115	13,254,358	14,310,773	16,311,253	17,630,758	19,894,716
	4,759,513	5,161,051	5,186,155	5,763,542	5,272,834	4,975,194
	358,286	396,999	407,764	386,154	386,338	456,136
	-	-	-	365,634	380,758	-
	4,090	4,090	4,812	-	4,101	6,236
	42,452	29,785	(46,496)	24,784	76,594	196,995
	278,293	436,703	47,636	42,059	33,286	125,949
	-	-	-	(200,000)	-	-
	-	-	-	-	-	-
	47,805,438	50,371,431	52,824,271	56,003,936	57,417,929	57,034,917
	1,515,605	1,507,661	1,508,704	1,519,375	1,524,901	1,514,452
	99,795	104,050	100,697	101,595	-	-
	517	3,387	3,189	34,195	14,419	25,334
	(29,581)	90,713	77,468	94,424	90,810	92,905
	-	-	-	200,000	-	-
	1,586,336	1,705,811	1,690,058	1,949,589	1,630,130	1,632,691
\$	49,391,774	\$ 52,077,242	\$ 54,514,329	\$ 57,953,525	\$ 59,048,059	\$ 58,667,608
\$	520,954	\$ (1,668,235)	\$ (5,067,290)	\$ (16,700,217)	\$ (6,012,855)	\$ (2,878,574)
	1,326,816	1,023,009	179,533	9,122,508	(1,304,220)	833,634
\$	1,847,770	\$ (645,226)	\$ (4,887,757)	\$ (7,577,709)	\$ (7,317,075)	\$ (2,044,940)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011*
GENERAL FUND				
Reserved	\$ 228,750	\$ 88,492	\$ 53,536	\$ -
Unreserved	12,312,075	10,110,989	10,364,455	-
Nonspendable	-	-	-	100,590
Unassigned	-	-	-	10,704,282
TOTAL GENERAL FUND	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991	\$ 10,804,872
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 2,523,221	\$ 4,762,560	\$ 2,188,376	\$ -
Unreserved, reported in				
Special Revenue Funds	2,043,378	1,674,387	2,148,898	-
Debt Service Funds	(908,466)	(485,274)	(78,844)	-
Capital Project Funds	303,492	1,965,761	2,459,761	-
Nonspendable	-	-	-	147,130
Restricted	-	-	-	2,828,903
Assigned	-	-	-	3,564,914
Unassigned	-	-	-	(5,578)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 3,961,625	\$ 7,917,434	\$ 6,718,191	\$ 6,535,369

* The Village implemented GASB Statement No. 54 in fiscal year 2011.

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
98,150	297,762	337,165	204,023	188,247	261,219
11,466,179	11,580,820	12,508,457	17,016,920	18,496,104	19,137,752
<u>\$ 11,564,329</u>	<u>\$ 11,878,582</u>	<u>\$ 12,845,622</u>	<u>\$ 17,220,943</u>	<u>\$ 18,684,351</u>	<u>\$ 19,398,971</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
144,114	132,464	147,412	107,609	96,771	83,232
3,625,715	3,166,583	13,941,797	5,212,985	4,557,424	8,919,560
7,525,930	15,705,506	7,371,630	3,679,129	3,224,446	3,579,214
(664)	(689)	(789)	(448,034)	(688,716)	-
<u>\$ 11,295,095</u>	<u>\$ 19,003,864</u>	<u>\$ 21,460,050</u>	<u>\$ 8,551,689</u>	<u>\$ 7,189,925</u>	<u>\$ 12,582,006</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
REVENUES				
Taxes	\$ 27,287,056	\$ 26,648,415	\$ 27,740,802	\$ 29,217,203
Licenses, permits, and fees	3,094,828	3,748,456	3,394,211	3,356,816
Intergovernmental	19,104,781	17,274,500	18,719,087	18,895,261
Charges for services	3,618,419	3,832,341	3,789,976	3,974,677
Fines and forfeits	720,351	529,655	556,178	548,993
Investment income	416,673	137,142	55,457	23,103
Other reimbursements	-	-	-	-
Miscellaneous	533,460	834,738	781,149	406,118
Total revenues	54,775,568	53,005,247	55,036,860	56,422,171
EXPENDITURES				
General government	5,725,191	5,796,151	5,240,716	5,284,168
Public safety	25,906,274	26,384,953	26,935,085	26,992,535
Highways and streets	9,168,071	8,291,493	7,450,823	7,681,534
Health	4,156,319	4,188,172	4,128,010	4,286,754
Welfare	1,736,791	2,316,995	2,039,805	1,902,841
Culture and recreation	381,892	358,207	313,125	346,068
Capital outlay	6,623,970	14,296,659	7,739,590	7,274,213
Debt service				
Principal retirement	4,149,735	1,425,219	1,046,203	1,377,700
Interest and fiscal charges	891,181	1,023,907	1,124,236	1,057,464
Total expenditures	58,739,424	64,081,756	56,017,593	56,203,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,963,856)	(11,076,509)	(980,733)	218,894
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	16,080,000	-	5,160,000
Premium on bonds issued	-	124,535	-	-
Payment to escrow agent	-	(3,513,925)	-	(5,139,582)
Transfers in	809,422	635,100	450,000	80,089
Transfers (out)	(833,242)	(635,100)	(450,000)	(115,342)
Sale of capital assets	2,895	364	-	-
Total other financing sources (uses)	(20,925)	12,690,974	-	(14,835.00)
NET CHANGE IN FUND BALANCES	\$ (3,984,781)	\$ 1,614,465	\$ (980,733)	\$ 204,059
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	9.00%	4.55%	4.12%	4.35%

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	30,485,689	\$ 31,088,445	\$ 32,564,624	\$ 33,433,891	\$ 34,113,260	\$ 31,784,137
	3,657,586	3,589,368	3,516,082	3,915,635	4,001,458	3,982,497
	18,862,827	21,103,909	23,914,974	26,018,173	27,434,551	29,199,312
	4,417,110	4,408,987	5,220,730	5,664,398	6,347,775	5,810,731
	403,036	430,960	587,966	511,536	414,885	415,189
	36,491	16,751	(46,495)	24,784	76,594	196,995
	-	-	-	-	35,000	19,824
	629,892	1,167,196	983,623	656,877	549,816	592,352
	58,492,631	61,805,616	66,741,504	70,225,294	72,973,339	72,001,037
	5,827,275	7,452,147	7,050,018	7,598,649	9,435,601	10,060,904
	28,022,943	29,233,562	30,706,685	30,350,270	32,512,612	34,279,062
	7,734,185	9,094,846	8,291,698	7,744,122	8,148,696	8,762,136
	4,405,184	4,457,548	4,590,027	4,589,156	4,585,572	4,500,280
	1,909,062	1,868,952	1,865,265	1,961,516	1,994,918	1,953,055
	399,366	435,931	421,517	467,611	499,208	585,907
	4,761,739	8,588,414	12,075,460	20,998,508	10,718,553	5,786,667
	1,479,732	1,537,312	2,987,587	3,048,912	3,243,840	3,518,904
	959,812	913,882	1,914,718	1,799,590	2,017,192	1,378,256
	55,499,298	63,582,594	69,902,975	78,558,334	73,156,192	70,825,171
	2,993,333	(1,776,978)	(3,161,471)	(8,333,040)	(182,853)	1,175,866
	5,475,000	9,800,000	6,290,000	-	17,835,000	4,815,000
	-	-	294,697	-	1,022,839	115,835
	(2,949,150)	-	-	-	(18,573,342)	-
	-	239,977	-	81,599	1,637,926	600,000
	-	(239,977)	-	(281,599)	(1,637,926)	(600,000)
	-	-	-	-	-	-
	2,525,850	9,800,000	6,584,697	(200,000)	284,497	4,930,835
\$	5,519,183	\$ 8,023,022	\$ 3,423,226	\$ (8,533,040)	\$ 101,644	\$ 6,106,701
	4.40%	4.01%	7.02%	6.20%	7.32%	6.99%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value as a Percentage of Actual Value
2007	\$ 1,227,488,556	\$ 412,588,412	\$ 229,739,726	\$ 508,622	\$ 1,870,325,316	0.750	\$ 5,610,975,948	33.333%
2008	1,343,275,031	414,537,434	221,110,772	572,793	1,979,496,030	0.732	5,938,488,090	33.333%
2009	1,452,220,540	387,256,513	177,285,176	649,124	2,017,411,353	0.754	6,052,234,059	33.333%
2010	1,330,339,716	332,297,825	171,115,770	927,196	1,834,680,507	0.829	5,504,041,521	33.333%
2011	1,242,549,785	298,578,904	152,864,606	959,506	1,694,952,801	0.936	5,084,858,403	33.333%
2012	1,141,783,464	281,197,939	145,136,294	656,385	1,568,774,082	1.051	4,706,322,246	33.333%
2013	948,371,026	272,696,503	135,438,749	787,806	1,357,294,084	1.275	4,071,882,252	33.333%
2014	989,619,882	285,736,126	114,184,895	836,775	1,390,377,678	1.276	4,171,133,034	33.333%
2015	962,934,812	279,463,359	111,147,033	1,005,644	1,354,550,848	1.352	4,063,652,544	33.333%
2016	1,191,992,297	304,999,806	121,128,843	103,906	1,619,158,852	1.157	4,857,476,556	33.333%

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

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
VILLAGE DIRECT RATES										
Corporate	0.416	0.393	0.399	0.377	0.444	0.501	0.688	0.724	-	-
Bonds and interest	0.071	0.093	0.076	0.098	0.105	0.113	0.167	0.165	0.170	0.143
Garbage	0.110	0.090	0.089	0.098	0.109	0.121	0.026	-	-	-
Police Pension	0.077	0.078	0.102	0.137	0.147	0.167	0.214	0.208	0.236	0.211
Firefighters' Pension	0.076	0.078	0.088	0.119	0.131	0.149	0.180	0.179	0.190	0.170
Fire Protection	-	-	-	-	-	-	-	-	0.385	0.322
Police Protection	-	-	-	-	-	-	-	-	0.371	0.311
TOTAL DIRECT RATES	0.750	0.732	0.754	0.829	0.936	1.051	1.275	1.276	1.352	1.157
OVERLAPPING RATES										
Mount Prospect Library	0.439	0.441	0.450	0.519	0.582	0.646	0.761	0.758	0.801	0.687
County of Cook	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533
Consolidated Elections	0.012	-	0.021	-	0.025	-	0.031	-	0.034	-
Forest Preserve District	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
Metropolitan Water Reclamation District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
Suburban TB Sanitarium	-	-	-	-	-	-	-	-	-	-
Township of Elk Grove	0.040	0.041	0.044	0.049	0.056	0.064	0.077	0.076	0.078	0.066
Township of Maine	0.065	0.064	0.067	0.075	0.085	0.096	0.120	0.119	0.124	0.108
Township of Wheeling	0.038	0.038	0.039	0.043	0.048	0.052	0.056	0.052	0.055	0.041
General Assistance Elk Grove	0.008	0.009	0.010	0.011	0.012	0.014	0.017	0.017	0.017	0.013
General Assistance Maine	0.015	0.015	0.016	0.018	0.021	0.023	0.029	0.029	0.031	0.027
General Assistance Wheeling	0.009	0.009	0.009	0.005	0.009	0.009	0.010	0.010	0.010	0.008
Road and Bridge Elk Grove	0.009	0.009	0.010	0.011	0.013	0.014	0.017	0.018	0.018	0.016
Road and Bridge Maine	0.034	0.033	0.034	0.038	0.043	0.049	0.061	0.062	0.065	0.056
Road and Bridge Wheeling	0.012	0.012	0.012	0.014	0.015	0.016	0.019	0.019	0.020	0.014
Northwest Mosquito Abatement District	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010
Arlington Heights High School #214	1.621	1.587	1.636	1.839	2.067	2.324	2.768	2.776	2.881	2.527
Community College District #512	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416
Arlington Heights Park District	0.404	0.379	0.392	0.450	0.496	0.545	0.633	0.636	0.626	0.488
Village of Mount Prospect										
Special Service Area #5	0.101	0.096	0.095	0.105	0.114	0.122	0.140	0.138	0.142	0.119
School District #59	1.791	1.810	1.945	2.129	2.422	2.673	3.172	3.176	3.291	2.998
Mount Prospect Park District	0.411	0.407	0.411	0.453	0.502	0.557	0.657	0.654	0.681	0.594

Tax levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OVERLAPPING RATES (Continued)										
School District #57	2.334	2.246	2.195	2.521	2.748	3.041	3.478	3.241	3.364	2.870
School District #25	2.890	2.807	2.510	2.813	3.101	3.416	3.659	3.678	3.990	3.424
River Trails Park District	0.428	0.422	0.433	0.510	0.553	0.632	0.747	0.748	0.769	0.665
School District #26	2.698	2.696	2.703	3.131	3.458	3.873	4.563	4.572	4.742	4.140
Prospect Heights Park District	0.561	0.544	0.523	0.595	0.661	0.746	0.856	0.884	0.912	0.770
School District #23	2.418	2.363	2.253	2.571	2.869	3.273	3.932	3.922	4.062	3.404
School District #21	3.154	3.161	3.209	3.658	4.164	4.556	4.841	5.430	5.642	4.966
Des Plaines Park District	0.312	0.300	0.317	0.338	0.379	0.425	0.531	0.529	0.556	0.485
Prospect Heights Old Town Sanitary	0.039	0.015	0.015	0.017	0.020	0.023	0.028	0.028	-	-
Elk Grove Rural Fire Protection District	0.895	0.971	1.032	1.055	1.121	1.096	1.296	1.329	1.410	1.305
Prospect Heights Fire Protection District	0.693	0.677	0.652	0.755	0.845	0.934	1.091	1.102	1.148	0.979
High School District #207	1.602	1.577	1.617	1.782	1.995	2.215	2.722	2.739	2.901	2.507
Community College District #535	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271	0.231
School District #62	2.350	2.329	2.492	2.741	3.107	3.490	4.255	4.293	4.487	3.921
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP, AND SCHOOL DISTRICT #59										
	6.212	6.114	6.346	6.997	7.913	8.813	10.418	10.420	10.819	9.605
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	12.1%	12.0%	11.9%	11.8%	11.8%	11.9%	12.2%	12.2%	12.5%	12.0%
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP, SCHOOL DISTRICT #26, AND MOUNT PROSPECT PARK DISTRICT										
	7.121	7.000	7.100	7.990	8.940	9.998	11.783	11.786	12.242	10.715
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	10.5%	10.5%	10.6%	10.4%	10.5%	10.5%	10.8%	10.8%	11.0%	10.8%

Note: Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2017 *					2008				
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
DLC Management Corp.	Management Corporation, Shopping Plaza	\$ 26,458,780	1	1.63%	Randhurst	Shopping Center	\$ 38,681,906	1	2.07%
Home Properties Colony	Apartments	18,963,895	2	1.17%	CRP Holdings	Real Estate	29,404,769	2	1.57%
Mount Prospect Plaza	Shopping Center	16,479,990	3	1.02%	Home Properties Colony	Colony Square Apartments	22,430,491	3	1.20%
United Airlines Inc.	Operations Center	13,911,530	4	0.86%	Mount Prospect Plaza	Shopping Center	21,982,090	4	1.18%
Individual	Commercial	12,887,703	5	0.80%	Golf Plaza	Shopping Center	17,448,188	5	0.93%
Golf Plaza I & II	Shopping Center	12,744,927	6	0.79%	Costco Property Tax	Commercial Sales Store	11,644,590	6	0.62%
First Industrial Rlty	Real Estate	9,588,778	7	0.59%	Huntington Square	Apartments	11,509,007	7	0.62%
Cummins Alison Corp.	Manufacturing	7,422,916	8	0.46%	PFG 800 Biermann LP	Pharmaceutical	11,255,616	8	0.60%
Costco Properties	Commercial Sales Store	7,307,278	9	0.45%	Cummins Alison Corp.	Manufacturing	11,114,044	9	0.59%
LIT Industrial Limited	Real Estate	<u>7,012,558</u>	10	<u>0.43%</u>	First Industrial LP	Property Management	<u>11,005,324</u>	10	<u>0.59%</u>
		<u>\$ 132,778,355</u>		<u>8.20%</u>			<u>\$ 186,476,025</u>		<u>9.97%</u>
Total 2016 Equalized Assessed Valuation		<u>\$ 1,619,158,852</u>		<u>100.00%</u>	Total 2008 Equalized Assessed Valuation		<u>\$ 1,870,325,316</u>		<u>100.00%</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 were overlooked.

* Collections received in 2017 for 2016 Tax Year

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Fiscal Year	Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2007	\$ 14,014,838	\$ 13,648,416	97.39%	\$ (77,455)	\$ 13,570,961	96.83%
2009	2008	14,472,269	14,137,805	97.69%	(13,619)	14,124,186	97.59%
2010	2009	15,194,636	14,856,084	97.77%	(129,548)	14,726,536	96.92%
2011	2010	15,194,635	14,961,411	98.47%	(57,871)	14,903,540	98.08%
2012	2011	15,852,352	15,614,490	98.50%	(24,467)	15,590,023	98.35%
2013	2012	16,477,871	16,278,228	98.79%	(56,444)	16,221,784	98.45%
2014	2013	17,301,436	17,064,355	98.63%	(4,764)	17,059,591	98.60%
2015	2014	17,741,219	17,521,845	98.76%	17,305	17,539,150	98.86%
2016	2015	18,313,527	18,130,372	99.00%	27,853	18,158,225	99.15%
2017	2016	18,733,668	18,534,114	98.93%	-	18,534,114	98.93%

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General merchandise	\$ 1,099,957	\$ 800,080	\$ 1,054,791	\$ 946,021	\$ 1,186,217	\$ 1,171,771	\$ 1,135,237	\$ 1,112,640	\$ 1,114,511	\$ 1,082,424
Food	1,069,087	1,005,043	944,631	895,984	862,501	876,288	891,855	949,277	951,863	877,665
Drinking and eating places	564,572	522,897	544,118	596,008	661,285	764,653	778,314	825,994	884,477	879,654
Apparel	68,774	33,425	37,444	216,301	118,034	149,317	163,857	162,116	163,438	157,353
Furniture, H.H., and radio	243,339	225,436	224,221	237,392	255,967	240,289	221,977	220,663	209,712	202,302
Lumber, building hardware	704,972	650,987	668,852	683,905	670,057	750,191	756,113	791,285	821,872	846,377
Automobile and filling stations	1,277,713	1,176,389	1,358,572	1,585,870	1,681,146	1,508,700	1,578,004	1,540,910	1,492,452	1,676,338
Drugs and miscellaneous retail	3,608,854	3,272,273	3,699,398	3,393,072	3,422,047	4,081,740	4,574,353	5,460,292	6,594,754	8,965,486
Agriculture and all others	1,245,594	1,275,048	1,726,693	1,924,871	2,073,142	2,616,771	2,802,361	3,629,675	3,611,295	3,649,578
Manufacturers	184,057	93,616	129,476	135,019	110,009	182,433	383,370	433,798	500,199	184,759
TOTAL	\$ 10,066,919	\$ 9,055,194	\$ 10,388,196	\$ 10,614,443	\$ 11,040,405	\$ 12,342,153	\$ 13,285,441	\$ 15,126,650	\$ 16,344,573	\$ 18,521,934
VILLAGE DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
NUMBER OF TAXPAYERS	900	795	800	839	861	883	899	997	987	1,102

Data available for calendar year only. The fiscal year of the Village of Mount Prospect is same as the calendar year. Excludes Home Rule Sales Tax portion.

Data Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BUSINESS DISTRICT SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012*	2013*	2014*	2015*	2016*	2017*
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ 89,393	\$ 88,289	\$ 85,937	\$ 84,364	\$ 82,142	\$ 76,426
Food	-	-	-	-	18,898	19,146	20,989	20,747	21,846	20,186
Drinking and eating places	-	-	-	-	29,413	40,954	48,185	51,419	54,393	51,629
Apparel	-	-	-	-	16,341	15,594	19,302	19,963	21,716	20,126
Furniture, H.H., and radio	-	-	-	-	16,287	17,106	16,461	16,088	15,551	14,438
Lumber, building hardware	-	-	-	-	90,668	101,338	104,434	107,339	108,479	109,058
Automobile and filling stations	-	-	-	-	-	-	-	-	-	-
Drugs and miscellaneous retail	-	-	-	-	17,747	29,896	32,071	37,063	31,889	25,843
Agriculture and all others	-	-	-	-	4,959	5,203	4,554	5,057	5,323	5,230
Manufacturers	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 283,706	\$ 317,526	\$ 331,933	\$ 342,041	\$ 341,339	\$ 322,936
VILLAGE DIRECT SALES TAX RATE	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Data available for calendar year only. The fiscal year of the Village of Mount Prospect is the same as the calendar year.

* Amount reported net of IDOR 2% compliance administration and enforcement charge.

Data Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Ten Fiscal Years

	2008	2009	2010	2011	2012 *	2013 *	2014 *	2015 *	2016 *	2017 *
General merchandise	\$ 967,261	\$ 693,008	\$ 811,120	\$ 749,509	\$ 900,240	\$ 885,410	\$ 864,254	\$ 861,799	\$ 858,739	\$ 822,252
Food	261,398	248,128	266,766	254,207	238,050	240,013	234,082	249,683	246,759	231,474
Drinking and eating places	558,908	519,177	539,414	592,596	656,376	754,898	766,264	808,304	862,052	831,312
Apparel	68,267	33,424	37,442	153,487	117,928	148,991	163,487	161,630	162,986	154,603
Furniture, H.H., and radio	240,192	223,116	220,694	232,711	251,253	235,936	218,184	217,031	206,542	196,588
Lumber, building hardware	701,258	646,990	665,409	680,356	665,891	743,492	752,301	787,000	817,396	828,391
Automobile and filling stations	640,842	596,221	697,383	891,042	922,948	948,339	956,255	893,301	831,269	937,688
Drugs and miscellaneous retail	413,511	407,587	484,085	432,639	454,001	509,608	508,772	488,963	439,702	473,116
Agriculture and all others	819,975	647,829	632,050	659,611	514,937	492,238	550,929	548,380	623,624	702,386
Manufacturers	180,157	89,263	126,598	131,640	107,183	179,710	380,685	431,129	497,623	179,655
TOTALS	\$ 4,851,769	\$ 4,104,743	\$ 4,480,961	\$ 4,777,798	\$ 4,828,806	\$ 5,138,635	\$ 5,395,213	\$ 5,447,220	\$ 5,546,692	\$ 5,357,465
NUMBER OF TAXPAPERS	900	795	800	839	861	883	899	997	987	1102
VILLAGE HOME RULE SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data available for calendar year only. The fiscal year of the Village of Mount Prospect is the same as the calendar year.

Interest Income included in Warrants is not reflected in this schedule.

*Excluding additional allocations received (excluded from IDOR Online report)

** Amount reported net of IDOR 2% compliance administration and enforcement charge.

Data Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	State Rate	County Rate	Regional Transportation Authority	Village Direct Rate	Home Rule Sales Tax Rate	Total
2008	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%
2009	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%
2010	5.00%	1.50%	1.00%	1.00%	1.00%	9.50%
2011	5.00%	1.50%	1.00%	1.00%	1.00%	9.50%
2012*	5.00%	1.25%	1.00%	1.00%	1.00%	9.25%
2013*	5.00%	1.00%	1.00%	1.00%	1.00%	9.00%
2014*	5.00%	1.00%	1.00%	1.00%	1.00%	9.00%
2015*	5.00%	1.00%	1.00%	1.00%	1.00%	9.00%
2016 *	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%
2017 *	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%

* Business district is assessed additional 0.25% sales tax.

Data Source

State of Illinois

VILLAGE OF MOUNT PROSPECT, 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	Tax Increment Financing Bonds	IEPA Loan Payable (1)	Installment Note (2)	Business District Limited Tax Note Payable	General Obligation Bonds			
2008	\$ 13,105,000	\$ -	\$ 3,805,678	\$ -	\$ -	\$ -	\$ 16,910,678	1.14%	\$ 301
2009	24,770,000	-	3,305,459	-	-	-	28,075,459	1.89%	499
2010	24,240,000	-	2,789,256	-	-	-	27,029,256	1.50%	499
2011	23,630,000	-	2,256,556	-	-	-	25,886,556	1.44%	478
2012	22,790,000	-	1,706,824	2,500,000	-	-	26,996,824	1.50%	498
2013	31,645,000	-	1,139,512	2,475,000	30,451,305	-	65,710,817	3.65%	1,213
2014	48,433,628	-	721,927	2,340,000	31,514,427	-	83,009,982	4.61%	1,532
2015	45,927,931	-	543,015	1,940,000	31,790,140	-	80,201,086	4.46%	1,481
2016	43,905,073	-	359,175	1,525,000	31,767,253	-	77,556,501	4.31%	1,432
2017	45,784,843	-	170,271	1,105,000	32,525,273	-	79,585,387	4.32%	1,432

* See the schedule of Demographic and Economic Information on page 204 for personal income and population data.

(1) The Village entered into five installment contracts with the Illinois Environmental Protection Agency to provide funds for the construction of flood control projects. The contracts are for a 20-year period with equal semiannual installments. Only two of the five original loans remain outstanding.

(2) The Village entered into an installment note to provide funding for the construction of certain flood control projects. The loan is payable in annual installments over a seven-year period.

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

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2008	\$ 13,105,000	\$ -	\$ 13,105,000	0.23%	\$ 232.92
2009	24,770,000	-	24,770,000	0.42%	440.24
2010	24,240,000	-	24,240,000	0.40%	430.82
2011	23,630,000	131,372	23,498,628	0.43%	433.82
2012	22,790,000	135,817	22,654,183	0.45%	418.23
2013	31,645,000	121,491	31,523,509	0.67%	581.97
2014	48,433,628	131,635	48,301,993	1.19%	891.72
2015	45,927,931	154,206	45,773,725	1.10%	845.05
2016	43,905,073	168,152	43,736,921	1.08%	807.45
2017	45,784,843	184,195	45,600,648	0.94%	841.85

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 191 for property value data.

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

Data Sources

Audited financial statements
Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

Governmental unit	(1) Gross Debt	(2) Percentage Debt Applicable to the Village of Mount Prospect	(3) Village of Mount Prospect Share of Debt
Village of Mount Prospect	\$ 79,585,387	100.000%	\$ 79,585,387
County of Cook	3,085,186,750	1.128%	34,800,907
Forest Preserve District of Cook County	101,200,000	1.128%	1,141,536
Metropolitan Water Reclamation District	2,428,705,091	1.150%	27,930,109
Community College District #535	28,950,000	0.014%	4,053
Community College District #512	126,895,000	8.543%	10,840,640
School District #214	37,480,000	18.912%	7,088,218
School District #207	14,540,000	0.069%	10,033
School District #57	7,860,000	95.003%	7,467,236
School District #26	8,665,000	77.771%	6,738,857
School District #25	47,360,000	2.629%	1,245,094
School District #23	7,540,000	7.709%	581,259
School District #21	30,255,000	3.202%	968,765
School District #59	15,235,000	15.273%	2,326,842
Arlington Heights Park District	10,890,000	1.615%	175,874
Des Plaines Park District	2,050,000	1.749%	35,855
Mount Prospect Park District	3,758,788	65.520%	2,462,758
	<u>5,956,570,629</u>		<u>103,818,036</u>
	<u>\$ 6,036,156,016</u>		<u>\$ 183,403,423</u>

(1) Gross bonded debt excluding outstanding general obligation (alternate revenue bonds) which are expected to be paid from sources other than general taxation.

(2) Determined by ratio of 2016 assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village of Mount Prospect.

(3) Amount in column (2) multiplied by amount in column (1).

Data Source

Governmental units and the percentage of overlapping debt from the County Clerk's office. Gross debt of the overlapping governmental units obtained from publicly-available sources.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2017

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property. . . (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: . . . indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum....shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities. The government is a home rule municipality.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Equalized Assessed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
2008	56,265	\$ 1,979,496,030	\$ 1,488,996,960	\$ 26,464	4.50%
2009	56,265	2,017,411,353	1,488,996,960	26,464	7.90%
2010	56,265	1,834,680,507	1,488,996,960	26,464	7.80%
2011	54,167	1,694,952,801	1,798,831,903	33,209	7.40%
2012	54,167	1,568,774,082	1,798,831,903	33,209	6.60%
2013	54,167	1,357,294,084	1,798,831,903	33,209	6.70%
2014	54,167	1,390,377,678	1,798,831,903	33,209	5.50%
2015	54,167	1,354,550,848	1,798,831,903	33,209	4.30%
2016	54,167	1,304,972,506	1,798,831,903	33,209	4.60%
2017	54,167	N/A	1,841,190,497	33,991	3.70%

Note: 2017 Equalized Assessed Valuation is not available until 2018.

Data Sources

(1) U.S. Department of Commerce, Bureau of the Census

(2) Office of the Cook County Clerk

(3) IDES Local Area Unemployment Statistics

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2017				2008			
Employer	Rank	Employees	% of Total Village Population	Employer	Rank	Employees	% of Total Village Population
CVS Caremark	1	1,445	2.67%	Caremark, Inc.	1	800	1.42%
Robert Bosch Tool Corporation	2	650	1.20%	Robert Bosch Tool Corp.	2	576	1.02%
Cummins-Allison Corporation	3	391	0.72%	Metropolitan Life	3	445	0.79%
Village of Mount Prospect	4	380	0.70%	Cummins-Allison Corporation	4	435	0.77%
Rauland Borg	5	300	0.55%	Village of Mount Prospect	5	336	0.60%
Mount Prospect School District 57	6	293	0.54%	Rauland Borg	6	300	0.53%
Carson Pirie Scott	7	291	0.54%	Mount Prospect School District 57	7	298	0.53%
Jewel-Osco Food Stores	8	280	0.52%	Prospect High School	8	250	0.44%
Rainbow Hospice & Palliative Care	9	240	0.44%	Siemens Building Technologies	9	235	0.42%
Prospect High School	10	220	0.41%	Jewel Food Stores	10	225	0.40%
				Walmart	10	225	0.40%

Data Source

Village Records

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011
PUBLIC REPRESENTATION/COMMUNITY AND CIVIC SERVICES				
Total	1.05	1.05	1.05	2.10
GENERAL GOVERNMENT				
Village administration				
Administration	16.95	16.95	14.95	14.95
Finance	15.00	15.00	13.00	13.00
Total	31.95	31.95	27.95	27.95
Community development				
Community development	23.40	23.15	20.48	20.48
Community development/CDBG	1.20	1.20	1.25	1.25
Total	24.60	24.35	21.73	21.73
Human services department				
Total	7.60	10.60	9.50	9.50
PUBLIC SAFETY AND PROTECTION				
Police Department	111.50	111.50	97.83	97.83
Fire Department	84.20	82.20	74.75	74.75
Total	195.70	193.70	172.58	172.58
PUBLIC WORKS DEPARTMENT				
Administration	3.35	3.35	2.85	2.85
Streets/buildings/parking	14.60	14.80	11.35	11.85
Forestry	10.80	10.80	10.70	9.75
Engineering	8.30	8.30	8.00	8.00
Water/sewer	26.15	26.15	26.50	25.00
Refuse disposal	2.90	2.90	2.90	2.90
Parking	-	-	-	0.90
Vehicle maintenance	9.10	10.90	10.90	10.90
Total	75.20	77.20	73.20	72.15
VILLAGE TOTAL	336.10	338.85	306.01	306.01

Data Source

Village budget

2012	2013	2014	2015	2016	2017
2.10	2.10	2.05	2.15	2.20	2.10
2.10	2.10	2.05	2.15	2.20	2.10
15.45	15.45	15.45	16.85	16.75	17.35
13.00	13.00	13.00	13.00	13.00	13.00
28.45	28.45	28.45	29.85	29.75	30.35
17.75	18.50	18.50	18.50	18.75	18.75
1.25	1.00	1.00	1.00	0.75	0.75
19.00	19.50	19.50	19.50	19.50	19.50
9.50	9.50	9.50	9.50	9.50	9.55
9.50	9.50	9.50	9.50	9.50	9.55
99.50	100.50	100.50	99.50	101.50	102.50
74.50	74.50	74.50	75.00	81.00	81.00
174.00	175.00	175.00	174.50	182.50	183.50
2.85	2.85	2.85	2.85	3.85	3.35
11.85	12.45	12.40	12.40	12.35	12.35
9.75	9.25	9.35	9.25	8.35	8.35
8.00	8.00	8.00	8.00	8.00	8.00
25.00	24.75	24.75	24.75	2.90	25.25
2.90	2.90	2.90	2.90	24.75	2.90
0.90	0.90	0.90	0.90	0.90	0.90
10.90	10.75	10.75	10.75	10.75	10.75
72.15	71.85	71.90	71.80	71.85	71.85
305.20	306.40	306.40	307.30	315.30	316.85

VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011
FINANCE DEPARTMENT				
Vehicle stickers issued	39,208	39,650	40,018	39,834
Utility bills	86,577	86,458	86,057	86,701
Real estate transfer tax stamps sold	947	986	1,086	1,022
COMMUNITY DEVELOPMENT				
Building Division				
Permits issued	2,687	2,415	2,922	2,821
Plan reviews	452	420	505	515
Building code inspections	7,631	8,564	8,783	8,508
Environmental Health Division				
Inspections				
Food service	340	394	400	394
Multi-family buildings	279	491	664	664
Swimming pools/spa	59	28	-	-
PUBLIC SAFETY				
Police				
Number of crimes	4,242	3,921	3,696	3,359
Number of service calls	25,631	23,600	22,028	19,943
Number of arrests	1,769	1,736	1,898	1,845
Moving violations	8,723	10,355	10,139	7,026
Parking citations	10,690	10,256	11,317	9,363
Fire				
Fire calls	2,019	1,817	1,888	2,350
EMS calls	3,487	3,535	3,465	3,590
Fire prevention inspections	3,264	4,258	3,790	3,418
Training hours	21,073	23,851	24,313	23,578
PUBLIC WORKS				
Streets				
Street reconstruction (miles)				
Street resurfacing (miles)	5.00	5.80	5.00	4.70
Crack filling (lbs)	55,000	57,118	46,846	40,871
Leaves removed (cubic yards)	16,272	18,970	15,424	14,843
Water				
Water mains installed (lineal feet)	8,079	5,475	5,475	-
Water billed (1,000 gallons)	1,369,479	1,346,272	1,296,556	1,287,525
Sanitary sewers cleaned (ft)	30,000	55,150	55,150	54,236
Refuse (single/multi-family)				
Solid waste collected (tons)	32,101	30,231	31,963	32,264
Recycling (tons)	6,644	6,154	6,117	6,644

* 2017 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

2012	2013	2014	2015	2016	2017*
43,092	43,490	42,789	41,964	41,323	41,601
90,147	152,312	152,649	152,703	152,872	152,733
1,282	1,451	1,426	1,433	1,541	1,512
2,278	2,383	2,653	2,490	2,500	2,400
595	524	471	536	513	490
9,154	7,824	10,952	10,590	9,535	9,500
405	393	434	409	400	400
565	568	1,068	1,043	1,000	1,000
-	-	-	-	-	-
3,178	2,809	2,480	2,399	2,235	2,400
19,184	19,206	18,594	18,906	18,130	18,000
1,602	1,509	1,307	1,178	1,083	1,080
5,979	6,152	4,928	4,839	4,139	4,000
7,640	7,314	7,671	7,166	5,637	8,000
1,892	1,967	1,926	1,883	1,889	1,800
3,885	3,912	3,985	4,061	4,032	4,024
3,308	3,144	3,047	2,700	3,800	2,300
21,340	21,149	24,033	21,454	29,024	29,700
5.20	7.50	18.80	9.80	6.30	7.20
51,885	49,153	59,568	51,412	53,623	55,000
12,569	14,577	14,652	14,000	11,804	14,000
-	-	-	1,990	600	600
1,341,268	1,284,779	1,301,528	1,204,478	1,224,661	1,208,079
58,922	65,000	90,000	120,000	75,000	60,000
31,385	29,494	30,320	30,605	26,574	28,454
6,028	5,692	5,498	5,369	5,357	5,465

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	35	34	34	34	33	33	32	32	30	31
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	22	22	22	22	20	23	23	22	21	21
PUBLIC WORKS										
Residential streets (miles)	134	134	134	134	134	135	134	134	135	135
WATER										
Water mains (miles)	166	166	162	162	162	161	160	160	160	160
Fire hydrants	2,328	2,328	2,295	2,291	2,295	2,274	2,242	2,240	2,243	2,246
Storage capacity (gallons)	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
WASTEWATER										
Sanitary sewers (miles)	93	93	71	71	71	71	71	71	72	72
Storm sewers (miles)	124	124	128	128	128	135	135	108	108	110
Combined sewers (miles)	59	59	54	54	54	54	54	54	55	55

Data Source

Various village departments

ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12

**VILLAGE OF MOUNT PROSPECT, COOK COUNTY, ILLINOIS
FINANCIAL INFORMATION**

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2017	As Percent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2016	\$ 1,619,158,852	100.00%	33.33%	\$ 29,891.98
Estimated True Value of Taxable Real Property, 2016	4,857,476,556	300.00%	100.00%	89,675.94
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 45,784,843	2.83%	0.94%	\$ 845.25
Self-Supporting Debt	33,800,544	2.09%	0.70%	624.01
Total Direct Bonded Debt	\$ 79,585,387	4.92%	1.64%	\$ 1,469.26
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 37,270,997	2.30%	0.77%	\$ 688.08
Other Than Schools	66,547,039	4.11%	1.37%	1,228.55
Total Overlapping Bonded Debt	\$ 103,818,036	6.41%	2.14%	\$ 1,916.63
Total Direct and Overlapping Bonded Debt	\$ 183,403,423	11.33%	3.78%	\$ 3,385.89
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 149,602,879	9.24%	3.08%	\$ 2,761.88

- Notes: 1. The Village is a home-rule unit under the Illinois constitution and, therefore, has no debt limit nor is it required to seek referendum approval for the issuance of general obligation debt.
2. See "Detailed Overlapping Bonded Indebtedness Payable From Property Taxes at December 31, 2017".

**RETIREMENT SCHEDULE OF OUTSTANDING VILLAGE GENERAL OBLIGATION BONDED DEBT (Note 1)
(As of December, 31, 2017)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments Property Taxes	Total Maturities Annual Amount	Cumul. Percent	Lewy Year	Property Taxes
2018	3,085,000	3,085,000	6.9%	2017	4,518,368
2019	3,200,000	3,200,000	14.1%	2018	4,563,682
2020	4,920,000	4,920,000	25.2%	2019	5,327,076
2021	4,605,000	4,605,000	35.5%	2020	5,723,916
2022	3,915,000	3,915,000	44.3%	2021	5,813,911
2023	2,995,000	2,995,000	51.1%	2022	3,868,475
2024	2,470,000	2,470,000	56.6%	2023	3,243,125
2025	2,590,000	2,590,000	62.4%	2024	3,274,925
2026	2,690,000	2,690,000	68.5%	2025	3,288,725
2027	2,780,000	2,780,000	74.7%	2026	3,291,275
2028	2,890,000	2,890,000	81.2%	2027	3,312,050
2029	2,030,000	2,030,000	85.8%	2028	2,359,006
2030	1,080,000	1,080,000	88.2%	2029	1,313,681
2031	1,130,000	1,130,000	90.7%	2030	1,323,744
2032	1,185,000	1,185,000	93.4%	2031	1,333,544
2033	1,245,000	1,245,000	96.2%	2032	1,346,144
2034	385,000	385,000	97.1%	2033	438,388
2035	410,000	410,000	98.0%	2034	451,356
2036	435,000	435,000	99.0%	2035	463,544
2037	460,000	460,000	100.0%	2036	474,950
	<u>\$44,500,000</u>	<u>\$44,500,000</u>			

- Notes: 1. The Village is a home rule unit under the 1970 Illinois Constitution and as such has no debt limit, nor is it required to seek referendum approval for the issuance of general obligation debt. The Village had entered into five installment contracts with the Illinois EPA (excluded from the table above) to provide funding for a portion of the Village's storm water/flood control program. The remaining installment contract has a final maturity on June 3, 2019. Total principal outstanding on the IEPA installment contract was \$170,271 as of December 31, 2017. Debt service is being paid from the Village's ¼ cent home rule sales tax instituted effective September 1, 1991 for the purpose of funding the Village's flood control program.

DEBT RATIOS AND PER CAPITAL DEBT—LAST TEN GENERAL OBLIGATION BOND SALES (Note 1)

Village Issue		Ratio to Estimated Actual Value				Per Capita (3)	
		Direct Debt		Direct & Overlapping Debt		Direct & Overlapping Debt	
		Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)
Sale Date	Amount						
January 21, 2003	12,235,000	1.39%	1.05%	3.77%	3.43%	2,544.05	2,316.16
December 15, 2006	10,000,000	0.78%	0.69%	2.72%	2.63%	2,362.39	2,287.21
February 17, 2009	10,000,000	0.72%	0.72%	2.45%	2.45%	2,445.85	2,445.85
December 1, 2009	3,430,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42
December 1, 2009	2,650,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42
July 29, 2011	4,100,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
July 29, 2011	5,160,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
January 3, 2012	2,975,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
September 10, 2013	9,800,000	0.92%	0.92%	3.42%	3.42%	3,042.80	3,043.80
February 4, 2014	6,279,000	1.13%	1.09%	3.74%	3.71%	3,253.40	3,223.59
September 8, 2016	8,735,000	2.00%	1.16%	5.29%	4.45%	3,356.50	3,309.47
December 1, 2016	9,100,000	1.90%	1.09%	5.25%	4.43%	3,356.50	3,296.96
December 20, 2017	9,740,000	1.64%	1.04%	3.78%	3.19%	3,385.89	2,829.19

- Notes:
- Information in table pulled from applicable Official Statements.
 - Excludes the Village's general obligation bonds which are payable from non-property taxes.
 - Village population estimates used in these calculations were 56,265 in 2001-2009, and 54,167 beginning in 2010.

EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES (Note 1)

Tax Levy Year (2)	Real Property			
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)	Increase Over Prior Year
2011	1,694,952,801	42,659,295	1,737,612,096	(7.7%)
2012	1,568,774,082	38,247,882	1,607,021,964	(7.5%)
2013	1,357,294,084	32,976,484	1,390,270,568	(13.5%)
2014	1,390,377,678	33,230,688	1,423,608,366	2.4%
2015	1,354,550,848	32,251,850	1,386,802,698	(2.6%)
2016	1,619,158,852	-	1,619,158,852	16.8%

- Notes:
- Property in Cook County is separated into two primary classifications for assessment purposes (10% for residential and 25% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established—tax rates are applied to the equalized valuation.
 - Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2016.
 - Excludes four categories of exemptions: the Senior Citizens' Homestead Exemption; the General Homestead Exemption; the Senior Citizens' Tax Freeze Homestead Exemption and the Long-Term Homeowner Exemption.
 - The Village's tax rate is calculated based on the village's Net Equalized Assessed Valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the County Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

**DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES AT
DECEMBER 31, 2017**

SCHOOL DISTRICTS:	Percent of Village's 2016 Real Property in Taxing Body	Gross Bonded Debt	Village's Applicable Share of Gross Debt to be Paid From Property Taxes (1)	
			Percent	Amount
Elementary Districts:				
Mount Prospect No. 57	37.7%	7,860,000	95.003%	7,467,236
Community Consolidated No. 59	26.7%	15,235,000	15.273%	2,326,842
River Trails No. 26	26.4%	8,665,000	77.771%	6,738,857
Wheeling Community Consolidated No. 21	3.4%	30,255,000	3.202%	968,765
Arlington Heights No. 25	3.2%	47,360,000	2.629%	1,245,094
Prospect Heights No. 23	2.5%	7,540,000	7.709%	581,259
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	37,480,000	18.912%	7,088,218
Maine Township No. 207	0.2%	14,540,000	0.069%	10,033
Community Colleges:				
Oakton No. 535	0.2%	28,950,000	0.014%	4,053
Harper No. 512	99.8%	126,895,000	8.543%	10,840,640
Total Schools				37,270,997
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,186,386,750	1.128%	35,942,443
Metropolitan Water Reclamation District	100.0%	2,428,705,091	1.150%	27,930,109
Park Districts:				
Mount Prospect	66.8%	3,758,788	65.520%	2,462,758
River Trails	25.4%	-	-	-
Arlington Heights	2.8%	10,890,000	1.615%	175,874
Des Plaines	1.8%	2,050,000	1.749%	35,855
Prospect Heights	3.3%	-	-	-
Total Other Than Schools				66,547,039

Notes: 1. Village's share based upon 2016 Real Property valuations.

TAX RATES PER \$100 EQUALIZED ASSESSED VALUATION (Note 1)

Village of Mount Prospect:	Levy Years				
	2012	2013	2014	2015	2016
Bonds and Interest	\$ 0.113	\$ 0.167	\$ 0.165	\$ 0.170	\$ 0.143
Pensions (Police, Fire)	0.316	0.393	0.387	0.426	0.381
Police Protection	-	-	-	0.372	0.311
Fire Protection	-	-	-	0.384	0.322
Corporate	0.501	0.689	0.724	-	-
Garbage	0.121	0.026	-	-	-
Total Village	\$ 1.051	\$ 1.275	\$ 1.276	\$ 1.352	\$ 1.157
Cook County, Including Forest Preserve District	0.594	0.629	0.637	0.621	0.596
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406
Mount Prospect Park District	0.557	0.657	0.654	0.681	0.594
Mount Prospect Public Library	0.646	0.761	0.758	0.801	0.687
Special Service Area No. 5	0.122	0.140	0.138	0.142	0.119
Community Consolidated School District No. 59	2.673	3.172	3.176	3.291	2.998
Township High School District No. 214	2.324	2.768	2.776	2.881	2.527
Harper College No. 512	0.373	0.444	0.451	0.466	0.416
All Other	0.103	0.155	0.124	0.158	0.105
Total (2)	\$ 8.813	\$ 10.418	\$ 10.420	\$ 10.819	\$ 9.605
Village as a Percent of Total	11.9%	12.2%	12.2%	12.5%	12.0%

Notes 1. As a home rule unit under the 1970 Illinois Constitution, the Village has no statutory tax rate or levy limitations.
2. Tax rate applicable to the largest tax code in the Village and most recent available from Cook County.

**TAX EXTENSIONS AND COLLECTIONS
(Village Purposes Only)**

Levy Year	Collection Year	Total Taxes Extended	Total Taxes Collected as of December 31, 2017 (Note 1)	
			Amount	Percent (2)
2012	2013	16,477,871	16,278,228	98.79%
2013	2014	17,301,436	17,064,355	98.63%
2014	2015	17,741,219	17,521,845	98.76%
2015	2016	18,313,527	18,130,372	99.00%
2016	2017	18,733,668	18,534,114	98.93%

- Notes:
1. Source: Cook County Treasurer's Office. Tax payments, including late payments and proceeds from tax sales, are shown as collections in the year when due. The "Amount Collected" is not the same as distributions to the Village because tax refunds (pursuant to court orders, first time homestead exemptions other exemptions, etc.) are deducted from "Amount Collected" and interest earnings are added to "Amount Collected" in calculating the distributions.
 2. Cook County property taxes are payable in two installments: the first on March 1, and the second on the latter of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill and is 55% of the prior year's bill. The second installment is based on the current levy, assessment and equalization and reflects any changes from the prior year in those factors.

TEN LARGEST TAXPAYERS

Rank	Taxpayer	Business/Properties	Equalized Assessed Valuation (1)	Percent of Village (2)
1	DLC Management Corporation	Shopping Center	26,458,780	1.63%
2	Home Properties	Colony Square Apartments	18,963,895	1.17%
3	Mount Prospect Plaza	Shopping Center	16,479,990	1.02%
4	United Airlines Inc.	Operations Center	13,911,530	0.86%
5	Individual	Commercial	12,887,703	0.80%
6	Golf Plaza I and II	Shopping Center	12,744,927	0.79%
7	First Industrial Realty	Real Estate	9,588,778	0.59%
8	Cummins Allison Corporation	Manufacturing	7,422,916	0.46%
9	Costco Properties	Warehouse Store	7,307,278	0.45%
10	LIT Industrial Limited	Real Estate	7,012,558	0.43%
			\$ 132,778,355	8.20%

- Notes:
1. Valuations as of January 1, 2016 for 2017 tax purposes.
 2. Total 2016 Village valuation is \$1,619,158,852.

2010 AND 2016 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Village of Mount Prospect					
Classification	Taxable Valuation			Percent of Total	
	2010	2016	% Increase	2010	2016
Residential	1,330,339,716	1,191,992,297	-10.40%	72.51%	73.66%
Commercial	332,297,825	304,999,806	-8.21%	18.11%	18.85%
Industrial	171,115,770	121,128,843	-29.21%	9.33%	7.49%
Railroad	927,196	103,906	-88.79%	0.05%	0.01%
Total	1,834,680,507	1,618,224,852	-11.80%	100.00%	100.00%

* A breakdown by property classification of the Village's levy year 2017 valuation is not available as of the date of this report.

GENERAL FUND (Note 1)

**Summary Statement of Revenues, Expenditures and Changes in Fund Balance
(Fiscal Years Ending December 31)**

	Actual				2017	
	2013	2014	2015	2016	Budget	Actual
Revenues:						
Property Taxes	12,645,791	14,392,732	15,317,183	15,917,480	16,278,000	16,112,039
Sales Taxes	13,627,166	14,640,814	16,370,735	17,202,418	18,600,000	19,458,742
State Income Taxes	5,161,051	5,186,155	5,763,542	5,272,834	5,543,000	4,975,194
Licenses, Permits & Fees	3,589,368	2,496,760	2,428,969	2,350,787	2,347,000	2,334,232
Utility Taxes	4,658,265	4,093,598	3,774,729	3,629,525	3,765,000	3,491,473
Charges for Service	1,858,829	1,928,223	1,699,217	1,782,869	1,582,955	1,527,168
Fines & Forfeits	430,960	470,466	511,536	414,885	452,000	415,189
Investment Income	6,561	(64,978)	8,612	49,202	151,000	132,925
Food & Beverage Tax	719,190	738,642	759,073	805,172	773,000	839,472
Real Estate Transfer Tax	853,617	954,644	1,371,699	1,049,770	1,190,500	1,190,331
All Other Revenues	1,445,740	2,450,829	2,315,618	3,076,582	3,987,640	3,325,198
Total Revenues	\$ 44,996,538	\$ 47,287,885	\$ 50,320,913	\$ 51,551,524	\$ 54,670,095	\$ 53,801,963
Expenditures:						
General Government						
Public Representation Division	114,948	142,574	137,716	141,249	163,600	134,039
Village Manager's Office	3,185,452	3,166,149	3,529,065	4,031,450	4,780,126	4,730,808
Finance Department	1,843,581	2,007,010	1,945,587	1,972,523	2,570,392	2,466,917
Community Development - Administration	661,459	673,549	662,596	734,282	948,257	933,069
Benefit Payments	46,150	46,300	46,455	46,615	46,781	46,780
Total General Government	\$ 5,851,590	\$ 6,035,582	\$ 6,321,419	\$ 6,926,119	\$ 8,509,156	\$ 8,311,613
Public Safety:						
Code Enforcement	711,081	880,723	812,292	877,060	829,292	820,925
Police Department	15,783,921	16,578,937	16,277,671	17,067,883	18,229,821	17,823,169
Fire & Emergency Protection Department	12,678,986	13,166,937	13,171,002	14,473,302	15,609,220	15,522,366
Total Public Safety	\$ 29,173,988	\$ 30,626,597	\$ 30,260,965	\$ 32,418,245	\$ 34,668,333	\$ 34,166,460
Highways & Streets	7,342,643	7,500,480	6,935,457	7,282,165	8,282,369	7,613,341
Health	142,062	151,586	148,731	160,555	248,627	261,533
Welfare	1,569,824	1,585,083	1,529,810	1,561,199	1,613,704	1,548,489
Culture & Recreation	435,931	421,517	467,611	499,208	635,172	585,907
Net Transfers (In)/Out	166,247	-	281,599	1,240,625	600,000	600,000
Total Expenditures	\$ 44,682,285	\$ 46,320,845	\$ 45,945,592	\$ 50,088,116	\$ 54,557,361	\$ 53,087,343
Revenues Over (Under) Expenditures	\$ 314,253	\$ 967,040	\$ 4,375,321	\$ 1,463,408	\$ 112,734	\$ 714,620
Ending Fund Balance	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	\$ 18,797,085	\$ 19,398,971

Balance Sheet – December 31

Assets:	2013	2014	2015	2016	2017
Cash & Investments	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092	\$ 14,814,727
Receivables					
Property Taxes	14,543,097	15,160,497	15,733,573	16,087,246	16,333,702
Other Taxes	5,711,586	5,747,674	6,344,148	6,772,937	6,220,011
All Other	492,912	468,180	471,824	435,700	417,856
Due From Other Funds	212,603	154,882	473,348	735,763	92,845
Due From Other Governments	53,602	136,834	159,403	653,254	186,629
All Other Assets	297,762	337,165	204,023	188,247	261,219
Total Assets	\$ 28,198,218	\$ 28,884,484	\$ 34,396,093	\$ 36,765,239	\$ 38,326,989
Liabilities & Fund Balance					
Accounts Payable	\$ 334,043	\$ 216,535	\$ 578,648	\$ 833,274	\$ 1,463,624
Deferred Revenues					
Property Taxes	14,396,036	15,138,046	15,691,708	16,087,246	16,333,702
All Other Liabilities	1,589,557	684,281	904,794	1,160,368	1,130,692
Fund Balance:					
Nonspendable	297,762	337,165	204,023	188,247	261,219
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	11,580,820	12,508,457	17,016,920	18,496,104	19,137,752
Total Fund Balance	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	\$ 19,398,971
Total Liabilities & Fund Balance	\$ 28,198,218	\$ 28,884,484	\$ 34,396,093	\$ 36,765,239	\$ 38,326,989

- Notes: 1. This condensed financial information for the years ending December 31, 2013-2017 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the Village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

COMBINED STATEMENT—ALL FUNDS (Note 1)

**Fund Balances 2013-2016 and Summary 2017 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

	Fiscal Year Ended December 31, 2017							
	2013	2014	2015	2016	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance
					Property Tax	Total		
Governmental Fund Types (2):								
General Fund *	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	\$ 16,112,039	\$ 53,801,963	\$ 714,620	\$ 19,398,971
Special Revenue Funds:								
Motor Fuel Tax	\$ 338,861	\$ 1,397,365	\$ 1,927,676	\$ 2,465,482	\$ -	\$ 1,427,785	\$ 278,990	\$ 2,744,472
Community Development Block Grant	-	-	-	-	-	404,566	-	-
Refuse Disposal *	2,445,117	1,652,809	1,191,201	1,363,621	-	4,317,771	79,024	1,442,645
Asset Seizure	42,659	83,675	92,655	173,079	-	30,052	(171)	172,908
DEA shared Funds	11,514	19,938	19,951	20,013	-	181	181	20,194
DUI Fines	65,287	101,080	124,735	121,449	-	27,125	19,479	140,928
Foreign Fire Tax Fund	273,346	287,977	302,729	341,678	-	85,478	10,745	352,423
Business District Fund	83	-	-	-	-	1,451,171	-	-
Prospect/Main TIF	-	-	-	(687,995)	-	4,931,142	4,633,022	3,945,027
Total Special Revenue	3,176,867	3,542,844	3,658,947	3,797,327	\$ -	\$ 12,675,271	5,021,270	8,818,597
Debt Service *	121,491	131,635	154,206	168,152	2,284,000	4,913,203	16,043	184,195
Capital Projects (3)	15,705,506	17,785,571	4,738,536	3,224,446	-	5,541,435	354,768	3,579,214
Total Governmental	\$ 30,882,446	\$ 34,305,672	\$ 25,772,632	\$ 25,874,276	\$ 18,396,039	\$ 76,931,872	\$ 6,106,701	\$ 31,980,977
Proprietary & Fiduciary Fund Types								
Enterprise Funds (4):								
Water and Sewer *	34,086,453	34,240,404	41,273,710	40,610,650	\$ 1,514,452	\$ 13,510,977	\$ 717,312	41,327,962
Village Parking System	323,832	349,414	643,238	588,378	-	346,195	116,322	704,700
Internal Service Funds (5)	14,587,299	15,797,609	17,537,531	19,174,062	-	12,222,687	600,653	19,774,715
Pension Trust Funds:								
Police Pension	55,375,975	58,819,925	58,500,040	61,976,686	-	13,975,312	9,092,376	71,069,062
Firefighter's Pension	53,716,416	56,568,339	56,856,702	58,344,829	-	13,398,679	7,920,511	66,265,340
Total Proprietary & Fiduciary	\$ 158,089,975	\$ 165,775,691	\$ 174,811,221	\$ 180,694,605	\$ 1,514,452	\$ 53,453,850	\$ 18,447,174	\$ 199,141,779
Total All Funds (Memo Only)	\$ 188,972,421	\$ 200,081,363	\$ 200,583,853	\$ 206,568,881	\$ 19,910,491	\$ 130,385,722	\$ 24,553,875	\$ 231,122,756

* Designated as major funds.

Cash & Investments at 12/31 (6):	2013	2014	2015	2016	2017
General Fund	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092	\$ 14,814,727
Internal Service Funds	10,830,350	10,476,211	11,551,998	13,177,384	12,210,417
Refuse Disposal	2,231,180	1,365,133	844,053	960,475	1,054,842
Other Special Revenue Funds	1,575,858	2,716,735	3,541,745	4,399,893	8,748,239
Debt Service Funds	113,267	130,210	138,721	167,652	162,895
Subtotal	\$ 21,637,311	\$ 21,567,541	\$ 27,086,291	\$ 30,597,496	\$ 36,991,120
Capital Project Funds	15,487,737	16,290,597	5,442,661	2,794,596	3,209,472
Water & Sewer	5,382,441	4,697,147	3,185,314	3,179,625	7,577,274
Other Enterprise Funds	316,808	300,258	488,612	428,260	531,623
Pension Trust Funds	108,760,597	115,091,487	115,116,154	119,963,475	137,068,690
Other Fiduciary Funds	1,511,610	1,209,488	1,136,998	1,368,315	1,126,624
Total	\$ 153,096,504	\$ 159,156,518	\$ 152,456,030	\$ 158,331,767	\$ 186,504,803

Notes: 1. This condensed financial information for the years ending December 31, 2013-2017 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets; expenditures are recognized when the related fund liability is incurred. All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. This table excludes the Village's Expendable Trust Funds and Agency Funds. The Village's Comprehensive Annual Financial Report for the year ended December 31, 2017 included an unmodified "Independent Auditor's Report". Similar unqualified/unmodified opinions were included in the Village's Comprehensive Annual Financial Reports for the years ending December 31, 2013-2016. The "Independent Auditor's Report" included in the latest audit states, in part:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America."

- The Village's property tax revenue recognition policy conforms to the provisions of "NCGA Interpretation 3, Revenue Recognition Property Taxes." The current net tax levy receivable is recognized in the balance sheet along with a corresponding amount of deferred revenue. In addition, the debt service payments and liabilities related to the current net tax levy are not reflected in the Debt Service Funds; the un-matured principal is reflected in the General Long-Term Debt Account Group.
- Includes the Capital Improvement Fund, which accounts for the resources used to provide for mid-sized capital projects. Financing is provided by one-quarter cent home rule sales tax, developer contributions, interfund transfers, investment income, and bond proceeds.
- Fund balances shown for the Enterprise Funds are total fund equity, including contributed capital and retained earnings, and the column "Revenue Over Expenditures" represents the change in that amount.
- The Village created a Risk Management Fund in 1984 to account for the servicing and payment of claims for liability, property, casualty coverage and Workers' Compensation. Financing is provided by charges to the various Village funds. The Village created a Vehicle Replacement Fund in fiscal year 1991 to account for the acquisition and depreciation of Village vehicles. Financing is provided by charges to the General, Water and Sewer, and Parking Funds. The Village created a Vehicle Maintenance Fund in 1996 to account for maintenance and repair of all Village vehicles except Fire Department vehicles. In 1997, the Village created a Computer Replacement Fund to account for the acquisition and depreciation of Village computer hardware.
- Excludes agency funds.

CAPITAL ASSETS (Note)
(December 31, 2017)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,291,446	Land	\$ 17,551,172
Construction in Progress	\$ 2,293,847	Construction in Progress	\$ 946,477
Total Assets Not Being Depreciated	\$ 12,585,293	Total Assets Not Being Depreciated	\$ 18,497,649
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 38,778,498	Buildings and Improvements	\$ 4,499,808
Improvements Other Than Buildings	436,273	Equipment	5,017,968
Infrastructure and All Other	101,512,328	Infrastructure	29,537,909
Total Capital Assets Being Depreciated	\$ 140,727,099	Total Capital Assets Being Depreciated	\$ 39,055,685
Less Accumulated Depreciation	\$ 89,822,046	Less Accumulated Depreciation	\$ 20,846,563
Total Capital Assets Being Depreciated, Net	\$ 50,905,053	Total Capital Assets Being Depreciated, Net	\$ 18,209,122
Net Assets	\$ 63,490,346	Net Assets	\$ 36,706,771

Note: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$20,000, except for infrastructure for which the cost is \$50,000 and an estimated useful life in excess of one year. 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.