

2018

VILLAGE OF
MOUNT PROSPECT, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2018

Prepared by: Finance Department

Amit Thakkar
Director of Finance
Lynn M. Jarog
Deputy Director of Finance

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VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL OFFICIALS

DECEMBER 31, 2018

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. Cassidy

Village Manager

Nellie S. Beckner

Assistant Village Manager

Karen Agoranos

Village Clerk

David O. Erb

Director of Finance/Treasurer

William J. Cooney, Jr.

Director of Community Development

William M. Schroeder

Director of Building and Inspection Services

Julie K. Kane

Director of Human Services

John A. Koziol

Police Chief

Brian Lambel

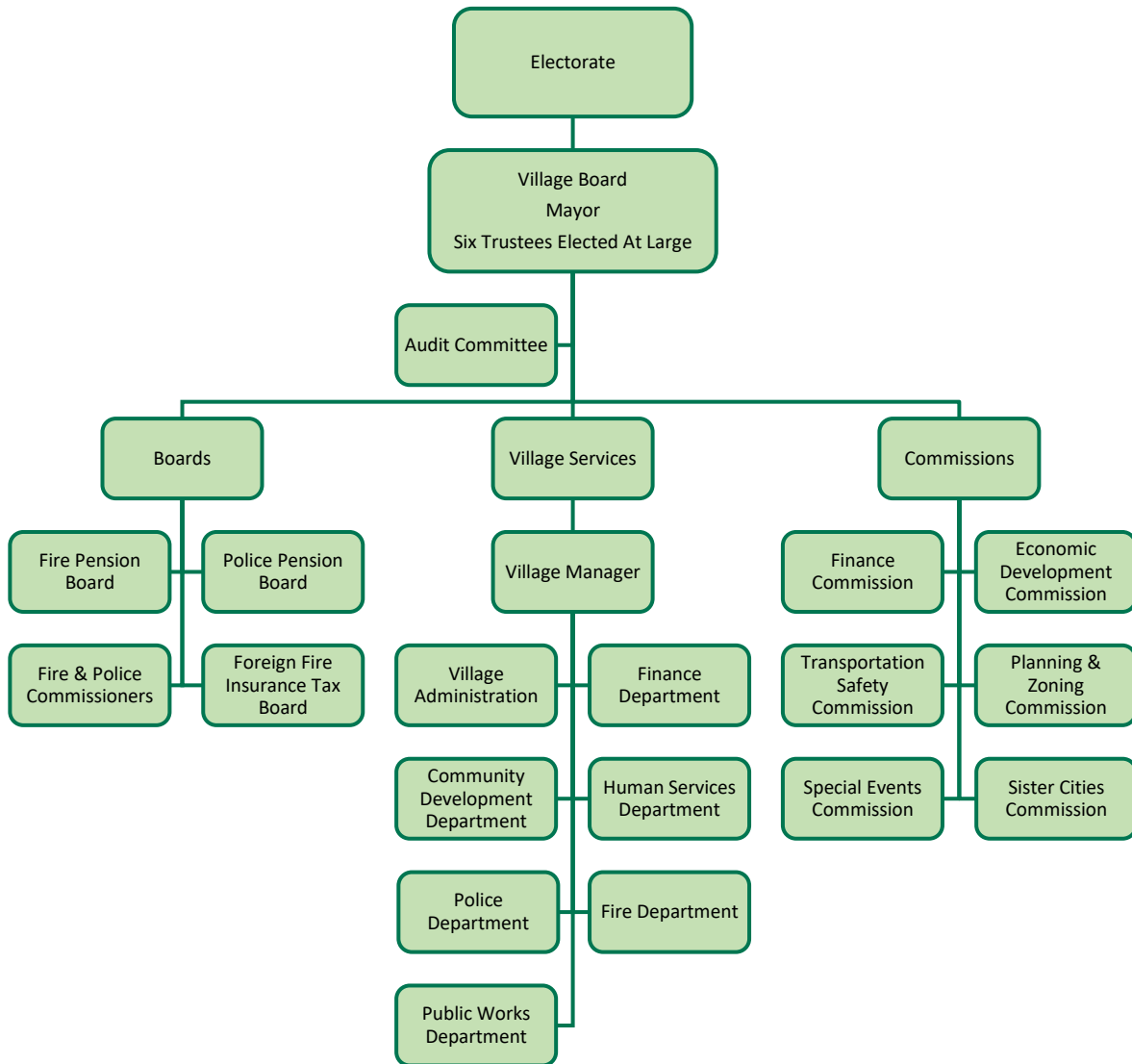
Fire Chief

Sean P. Dorsey

Director of Public Works

VILLAGE OF MOUNT PROSPECT, ILLINOIS

ORGANIZATIONAL STRUCTURE



The mission of Mount Prospect Village Government is to advance our community's collective quality of life and potential through adaptive leadership and leading-edge service delivery.

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 27, 2019

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, 2018 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, 2018, 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, 2018 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 non-major governmental fund subsection 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 2018.

- **Public Safety Building** – Village staff completed the acquisition of 799 Biermann Ct. for the new Police Headquarters and 111 E. Rand Road for the new Fire Headquarters and station #13 facility.
- **Levee 37 Plan** – The Village has successfully secured \$2,000,000 in grant funding for the construction of storm water detention and associated storm mainline pipe upsizing in the Newton subdivision tributary to the Des Plaines River.
- **Sidewalk Policy & Program** – The Village has deployed various strategies successfully to repair the sidewalks and have mitigated over 2,000 vertical offsets in the Village's sidewalk network.
- **Parenti and Raffaelli Ltd development & Busse Triangle Property Development** – The Village has successfully completed the relocation of Parenti and Raffaelli Limited and the relocation has opened up this key site for redevelopment in the downtown. The development at 20 West and Park Terrace will bring 85 additional residential units in the downtown.
- **Annexation Initiative** – Continued annexation strategy to incorporate areas surrounded by the Mount Prospect corporate limits. The Village has successfully completed the tollway annexation, which allows the annexation of the property north of I-90 and west of Wellner Creek.
- **Downtown Intersection Study** – The Village has completed a study that included an additional vehicle crossing at the railroad tracks.
- **Downtown Pedestrian: Busse/Main Crossing** – The final design engineering for the project is completed and the project is submitted to the Illinois Department of Transportation for their review.
- **Traffic Control on Major Corridors** – The Village has completed the Phase I engineering for Rand Road/Central Road/Mount Prospect Road intersection. The Village has also started the Phase I engineering for Rand Road/Kensington Road/Route 83 intersection.
- **Business Attraction Strategy** – The Village has deployed various business attraction strategies. To attract new restaurants, the Village has approved a Gaming Ordinance in support of restaurateurs. As a part of the Village's branding strategy, the branding and marketing plan is being implemented.

Refer to the Strategic Plan tab of the 2019 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 34th 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, 2018 were \$23,658,634 compared to \$19,458,742 for the previous year, an increase of 21.58%. 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 \$2.30 billion for 2018. The Village projects that this revenue source will increase 3.0% during 2019 and 2020. 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 2018 was 2.9%. This was a decrease from the prior year of 80 basis points (3.7% in 2017). The average unemployment rate for the State of Illinois for 2018 was decreased 80 basis points from the prior year coming in at 4.2%. The rate for U.S. decreased 50 basis points from 4.4% to 3.9%. Mount Prospect's median family income, \$71,925 as of the 2010 Census (using 5-year estimates), was 21% higher than the median for Cook County (\$59,426) and 17% higher than the median for the State of Illinois (\$61,229).

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 2018. During the 2018 workshop, financial status reports were provided for end-of-year results for 2017, updated projections for 2018 and a revised forecast for 2019.

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 (2019-2023), the Village has identified \$160.4 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, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

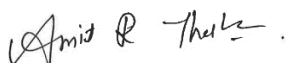
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable 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, 2018 and ending December 31, 2018. 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 2019 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. I would also like to thank Dave Erb, Former Finance Director, for providing exceptional leadership to the Finance Department at the Village of Mount Prospect for fifteen years. 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,



Amit Thakkar
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, 2017

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, 2018, 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, 2018, 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.

Change in Accounting Principle

The Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 13 to the basic financial statements. Our opinion is not modified with respect to this matter.

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, 2019, 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.

The logo for Sikich LLP, featuring the name in a stylized, cursive font.

Naperville, Illinois
June 26, 2019

1415 West Diehl Road, Suite 400
Naperville, IL 60563
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, the 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, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 26, 2019

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
June 26, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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

For Fiscal Year Ended December 31, 2018

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 \$14.8 million to a negative \$29.6 million. There is a restatement done to the net position as of January 1, 2018 due to change in the accounting principle due to the first time application of GASB statement 75 (Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions). The net decrease of \$11.0 million is attributable to the change in the accounting principal, \$2.9 million is attributable to a decrease of \$2.8 million in Governmental Activities and decrease of \$0.9 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.

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(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, 2018 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 114.0	\$ 78.6	\$ 15.7	\$ 12.4	\$ 129.7	\$ 91.0
Capital assets	<u>68.4</u>	<u>63.4</u>	<u>37.6</u>	<u>36.7</u>	<u>106.0</u>	<u>100.1</u>
Total assets	\$ 182.4	\$ 142.0	\$ 53.3	\$ 49.1	\$ 235.7	\$ 191.1
Deferred outflows of resources	<u>17.3</u>	<u>14.2</u>	<u>0.4</u>	<u>1.0</u>	<u>17.7</u>	<u>15.2</u>
Total assets/deferred outflows	<u>\$ 199.7</u>	<u>\$ 156.2</u>	<u>\$ 53.7</u>	<u>\$ 50.1</u>	<u>\$ 253.4</u>	<u>\$ 206.3</u>
Current liabilities	\$ 5.3	\$ 5.9	\$ 1.4	\$ 1.0	\$ 6.7	\$ 6.9
Noncurrent liabilities	<u>232.4</u>	<u>175.1</u>	<u>10.3</u>	<u>6.9</u>	<u>242.7</u>	<u>182.0</u>
Total liabilities	\$ 237.7	\$ 181.0	\$ 11.7	\$ 7.9	\$ 249.4	\$ 188.9
Deferred inflows of resources	<u>32.5</u>	<u>32.0</u>	<u>1.1</u>	<u>0.2</u>	<u>33.6</u>	<u>32.2</u>
Total liabilities/deferred inflows	<u>\$ 270.2</u>	<u>\$ 213.0</u>	<u>\$ 12.8</u>	<u>\$ 8.1</u>	<u>\$ 283.0</u>	<u>\$ 221.1</u>
Net Position						
Net investment in capital assets	\$ 30.2	\$ 34.2	\$ 32.5	\$ 36.0	\$ 62.7	\$ 70.2
Restricted net position	7.1	4.1	-	-	7.1	4.1
Unrestricted net position	<u>(107.8)</u>	<u>(95.1)</u>	<u>8.4</u>	<u>6.0</u>	<u>(99.4)</u>	<u>(89.1)</u>
Total net position	<u>\$ (70.5)</u>	<u>\$ (56.8)</u>	<u>\$ 40.9</u>	<u>\$ 42.0</u>	<u>\$ (29.6)</u>	<u>\$ (14.8)</u>

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 invested in capital assets, net of debt.

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 invested in capital assets, net of debt.

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

Reduction of capital assets through depreciation - which will reduce capital assets and invested in capital assets, net of debt.

(See independent auditor's report.)

Current Year Impacts

Governmental activities net position decreased \$2.9 million while the business-type activities net position decreased by \$0.9 million. The governmental activities total assets/deferred outflows increased by \$43.5 million and the governmental activities total liabilities/deferred inflows increased by \$57.2 million, of which \$10.75 million of increases are attributable to first time application of GASB 75 (Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions). The total assets increase of \$43.5 million in governmental activities was the result of an increase of \$35.4 million in current and other assets, increase of \$5.0 million in capital assets and, an increase in deferred outflows of \$3.1 million. The \$35.4 million increase in current assets was due to an increase in cash of \$40.4 million and a decrease in due from other governments of \$1.6 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 decrease in total net position of \$0.9 million in business-type activities was due to an increase in current assets of \$3.3 million, an increase in capital assets of \$0.9 million, a decrease in deferred outflows of \$0.6 million, a net increase in current and noncurrent liabilities of \$3.8 million, and an increase in deferred inflows of \$0.9 million.

The increase in deferred outflows of \$3.1 million for the governmental activities was due to a increase in pension-related items for IMRF, Police and Fire. The decrease in current liabilities was primarily due to decrease in the total accounts payable. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities increased from \$7.9 million to \$11.7 million. This increase was due to an increase in non-current liabilities of \$3.4 million and an increase in current liabilities of \$0.4 million.

Changes in Net Position

The Village's combined change in net position for the primary government in 2018 was a decrease of \$3.8 million versus a decrease of \$2.1 million in 2017. Activities for the governmental activities saw a decrease in net position of \$2.9 million from 2017, while activities for the business-type funds saw a decrease in net position of \$0.9 million from 2017. The following chart lists the revenues and expenses for the current and prior fiscal years.

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(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, 2018 (in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for service	\$ 11.0	\$ 10.7	\$ 14.6	\$ 13.7	\$ 25.6	\$ 24.4
Operating grants	2.0	2.7	-	-	2.0	2.7
Capital grants/contrib.	0.5	0.2	-	-	0.5	0.2
General revenues						
Property taxes	19.2	18.4	-	1.5	19.2	19.9
Business district taxes	0.3	0.3	-	-	0.3	0.3
Sales/Use taxes	29.8	25.3	-	-	29.8	25.3
Income taxes	5.2	5.0	-	-	5.2	5.0
Utility taxes	3.5	3.5	-	-	3.5	3.5
Other taxes	4.3	4.4	-	-	4.3	4.4
Investment income	0.7	0.2	-	-	0.7	0.2
Contributions	-	-	-	-	-	-
Other	1.2	-	0.2	0.1	1.4	0.1
Total revenue	\$ 77.7	\$ 70.7	\$ 14.8	\$ 15.3	\$ 92.5	\$ 86.0
Expenses						
General government	\$ 11.9	\$ 10.7	\$ -	\$ -	\$ 11.9	\$ 10.7
Public safety	42.7	37.4	-	-	42.7	37.4
Highways and streets	15.6	16.2	-	-	15.6	16.2
Health	4.8	4.6	-	-	4.8	4.6
Welfare	1.6	2.1	-	-	1.6	2.1
Culture and recreation	0.6	0.6	-	-	0.6	0.6
Interest	3.4	2.0	-	-	3.4	2.0
Water and sewer	-	-	15.4	14.3	15.4	14.3
Parking	-	-	0.3	0.2	0.3	0.2
Total expenses	\$ 80.6	\$ 73.6	\$ 15.7	\$ 14.5	\$ 96.3	\$ 88.1
Change in net position	\$ (2.9)	\$ (2.9)	\$ (0.9)	\$ 0.8	\$ (3.8)	\$ (2.1)
Net Position, January 1	\$ (56.9)	\$ (54.0)	\$ 42.0	\$ 41.2	\$ (14.9)	\$ (12.8)
Change in accounting principal	(10.7)	-	(0.3)	-	(11.0)	-
Prior Period Adjustment	-	-	-	-	-	-
Net Position (Deficit), January 1, Restated	\$ (67.6)	\$ (54.0)	\$ 41.7	\$ 41.2	\$ (25.9)	\$ (12.8)
Net Position (Deficit), December 31	\$ (70.5)	\$ (56.9)	\$ 40.8	\$ 42.0	\$ (29.7)	\$ (14.9)

(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 2018 were \$77.7 million.

Sales/Use taxes are the largest revenue source for governmental activities accounting for \$29.8 million or an increase of \$4.5 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 \$19.2 million in revenue. This revenue has historically been the most stable source for the Village. This was an increase of \$0.8 million from the prior year due to a new Tax Increment Financing district of Prospect/Main. There was an increase of \$0.3 million in charges for service. The investment income for the year is \$0.7 million or an increase of 0.5 million from the prior year. Other taxes and revenues sources didn't show any significant changes compared to prior year.

(See independent auditor's report.)

Governmental Activities (cont.)

Expenses:

Total expenses for the Village's Governmental Activities for 2018 were \$80.6 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2017 were \$42.7 million, an increase of \$5.3 million from 2017. The increases are mainly attributable to capital projects as well as the increase in the Police and Fire pension expenses. 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 \$15.6 million, a decrease of \$0.6 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 2018 were \$14.8 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 \$14.6 million generated in 2018, \$14.2 million is from water sales and sewer fees and charges, \$0.3 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2017, water sales and sewer fees were \$13.4 million. Previously, the Water and Sewer Fund also received special service area taxes in the amount of \$1.5 million. The final debt payment pertaining to the special service area is concluded and special service area taxes are eliminated for the fiscal year 2018 and onwards. These taxes supported 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 2018 were \$15.7 million.

Of the total expenses for business-type activities, \$15.4 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$6.6 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 \$14.5 million in expenses for 2017, \$6.5 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 \$3.7 million in 2018 from \$19.3 million to \$23.0 million. In 2018, General Fund revenues came in above the final budget by \$0.7 million while expenditures and net transfers came in \$1.8 million under budget. The final Village budget had anticipated an increase in the General Fund - fund balance of \$1.2 million.

No other significant deviations from the final budget were seen in revenues during 2018.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2018, 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 2018 (in millions)

	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 23.9	\$ 23.8	\$ 23.8
Intergovernmental	24.7	28.8	29.4
Other	<u>4.9</u>	<u>5.7</u>	<u>5.8</u>
Total Revenues	\$ 53.5	\$ 58.3	\$ 59.0
Expenditures and Transfers			
Expenditures	\$ 54.1	\$ 54.7	\$ 52.9
Net Transfers	<u>0.8</u>	<u>2.4</u>	<u>2.4</u>
Total Expenditures and Transfers	\$ 54.9	\$ 57.1	\$ 55.3
 Change in Fund Balance	 <u>\$ (1.4)</u>	 <u>\$ 1.2</u>	 <u>\$ 3.7</u>

Other Major Funds

There are four (4) other Major Funds for Fiscal Year ended December 31, 2018. These four Funds are 1) Refuse Disposal Fund, 2) Debt Service Fund, 3) Prospect/Main TIF Fund, 4) Police and Fire Building Construction.

Refuse Disposal Fund – This special revenue type Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2019 were \$4.4 million, an increase of \$0.1 million from the prior year. Almost the entire amount of revenue received during 2018 was due to charges for service. Total expenditures for 2018 were \$4.5 million, an increase of \$0.3 million from the prior year. Ending fund balance decreased by \$0.1 million to \$1.3 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 2018 were \$5.0 million, an increase of \$0.1 million from the prior year. Of this total revenue amount, \$2.4 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 2018 were \$5.0 million, an increase of \$0.1 from the prior year. During the fiscal year 2018, a new refunding bonds were issued for \$5.9 million and an additional premium of \$0.5 million was received. \$4.2 million was paid to bond escrow agent to refund the bond. There was also an interfund transfer of \$1.6 million received by the debt service fund. Ending fund balance increased by 4.0 million to \$4.2 million.

Prospect/Main TIF – This special revenue type TIF Fund is used 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, general obligation bond proceeds, and investment income. The Village issued General Obligation Bonds, Series 2018A in the amount of \$11.9 million, of which \$7.1 million were received by the Prospect/Main TIF with a premium of \$0.2 million. Total revenues for 2018 were 0.7 million. The total revenues for 2017 were negligible. The total expenses for 2018 were \$11.3 million, of which \$7.4 million is used for land acquisitions

(See independent auditor’s report.)

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

and 3.2 million is used for other capital outlay items. The total expenses for prior year was 0.3 million. Ending fund balance for the TIF is 0.7 million, a decrease of 3.2 million from prior year.

Police and Fire Building Construction – This capital project type fund is used to account for the resources to construct the police and fire building. Financing is provided primarily by general obligation bond proceeds. Total revenues for the year 2018 are \$0.2 million. The Village issued Village issued \$32.5 General Obligation Bonds and has received an additional premium of \$1.0 million on issuance of the bonds. The total expenses for 2018 is \$2.0 million. \$0.7 million is used for the debt service and \$1.3 million is used for the construction projects. The ending fund balance is \$31.7 million to be used for the construction of Fire and Police headquarters.

Capital Assets

At the end of 2018, the Village had a combined total of \$106.0 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land (including right-of-way)	\$ 13.1	\$ 10.3	\$ 17.6	\$ 17.6	\$ 30.7	\$ 27.9
Construction in Progress	7.0	2.3	1.6	0.9	8.6	3.2
Buildings & Improvements	27.2	27.8	1.5	1.5	28.7	29.3
Vehicles	4.0	4.4	-	-	4.0	4.4
Machinery & Equipment	1.5	1.5	1.5	1.7	3.0	3.2
Infrastructure	<u>15.6</u>	<u>17.2</u>	<u>15.4</u>	<u>15.0</u>	<u>31.0</u>	<u>32.2</u>
Total Capital Assets	<u>\$ 68.4</u>	<u>\$ 63.5</u>	<u>\$ 37.6</u>	<u>\$ 36.7</u>	<u>\$ 106.0</u>	<u>\$ 100.2</u>

This amount represents a net increase (including additions and deletions) of \$5.8 million from 2017.

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(See independent auditor’s report.)

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

Table 5
Change in Capital Assets (in millions)

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 63.5	\$ 36.7	\$ 100.2
Additions			
Depreciable	1.5	1.6	3.1
Non-Depreciable	8.0	0.9	8.9
Retirements			
Depreciable	(0.9)	-	(0.9)
Non-Depreciable	(0.5)	(0.9)	(1.4)
Depreciation	(4.1)	(0.7)	(4.8)
Retirement	0.9	-	0.9
Ending Balance	<u>\$ 68.4</u>	<u>\$ 37.6</u>	<u>\$ 106.0</u>

Table 5 above shows the change in capital assets during 2018. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

- Land acquisitions - \$2.8
- Vehicles for Public Safety, Public Works and Village Fleet - \$0.3
- Various construction projects in-progress - \$5.2
- Purchases of various machinery & equipment - \$0.4
- Infrastructure Improvements - 0.8

Business-Type Activities

- Various construction projects in-progress - \$1.6
- Infrastructure Improvements - \$0.9

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 \$242.9 million as of December 31, 2018. 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, \$50.3 million of general obligation debt and notes payable were issued while pension liability for police, and fire, increased by \$15.6 million. The net pension liability of IMRF decreased by \$5.7 million. The compensated absences had a net decrease of \$0.4 million, while the total OPEB (Other Post Employment Benefit) liability has a net decrease of 2.2 million. Decreases in long term debt include the retirement of \$7.4 million in general obligation debt, 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.

(See independent auditor's report.)

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

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 2018. The \$3.7 million surplus increases the fund balance to 40% 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 2018 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 2019 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 2018 was 2.9%. This is below the state and national unemployment rate of 4.2% and 3.9% respectively. The Village's unemployment rate decreased 80 basis points from the prior year.

The 2019 Budget represents a 17.9% increase from the amended 2018 Budget and totals \$169.5 million. The increases are mainly attributable to major capital projects including Police and Fire building construction. The General Fund increased \$0.9 million, or 1.5% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 0.96% and totals \$74 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 Amit Thakkar, Finance Director/Treasurer, Village of Mount Prospect, 50 South Emerson, Mount Prospect, Illinois 60056.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 75,705,412	\$ 13,003,971	\$ 88,709,383
Receivables (net of allowance, where applicable)			
Property taxes	18,713,005	-	18,713,005
Other taxes	8,584,994	-	8,584,994
Accrued interest	43,879	-	43,879
Utility customers	-	1,491,569	1,491,569
Miscellaneous	1,001,491	3,360	1,004,851
Prepaid items	414,476	10,626	425,102
Inventory	326,863	272,137	599,000
Due from fiduciary	2,808	52	2,860
Due from other governments	6,514,548	1,167	6,515,715
Deposits - insurance	2,663,925	-	2,663,925
Deposits with joint venture	-	976,550	976,550
Capital assets not being depreciated	20,157,054	19,133,897	39,290,951
Capital assets being depreciated (net of accumulated depreciation)	48,259,880	18,454,130	66,714,010
Total assets	182,388,335	53,347,459	235,735,794
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	1,609,087	376,615	1,985,702
Pension items - Police Pension	7,751,377	-	7,751,377
Pension items - Firefighters' Pension	7,454,589	-	7,454,589
Unamortized loss on refunding	462,542	-	462,542
Total deferred outflows of resources	17,277,595	376,615	17,654,210
Total assets and deferred outflows of resources	199,665,930	53,724,074	253,390,004
LIABILITIES			
Accounts payable	3,000,018	1,000,080	4,000,098
Accrued payroll	977,242	69,565	1,046,807
Accrued interest payable	420,846	28,591	449,437
Retainage payable	85,949	206,662	292,611
Other payables	202,233	1,863	204,096
Unearned revenue	590,319	35,815	626,134
Due to other governments	16,602	-	16,602
Noncurrent liabilities			
Due within one year	5,544,889	288,701	5,833,590
Due in more than one year	226,900,263	10,156,295	237,056,558
Total liabilities	237,738,361	11,787,572	249,525,933
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	18,713,005	-	18,713,005
OPEB items	2,469,659	70,520	2,540,179
Pension items - IMRF	4,198,143	982,620	5,180,763
Pension items - Police Pension	3,874,360	-	3,874,360
Pension items - Firefighters' Pension	3,194,847	-	3,194,847
Total deferred inflows of resources	32,450,014	1,053,140	33,503,154
Total liabilities and deferred inflows of resources	270,188,375	12,840,712	283,029,087

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 30,192,091	\$ 32,472,358	\$ 62,664,449
Restricted for			
Highways and streets	2,575,480	-	2,575,480
Public safety - police	298,936	-	298,936
Public safety - fire	398,223	-	398,223
Debt service	2,546,115	-	2,546,115
Refuse disposal	1,246,659	-	1,246,659
Unrestricted (deficit)	<u>(107,779,949)</u>	<u>8,411,004</u>	<u>(99,368,945)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (70,522,445)</u>	<u>\$ 40,883,362</u>	<u>\$ (29,639,083)</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 11,942,073	\$ 4,362,732	\$ 59,713	\$ -
Public safety	42,702,313	1,678,492	60,620	-
Highways and streets	15,587,445	387,676	1,448,810	488,470
Health	4,811,335	4,359,038	-	-
Welfare	1,636,190	39,645	390,566	-
Culture and recreation	573,403	41,932	4,491	-
Interest	3,396,566	176,600	42,977	-
Total governmental activities	80,649,325	11,046,115	2,007,177	488,470
Business-Type Activities				
Water and sewer	15,419,616	14,224,032	-	-
Parking	311,736	342,560	-	-
Total business-type activities	15,731,352	14,566,592	-	-
TOTAL PRIMARY GOVERNMENT	\$ 96,380,677	\$ 25,612,707	\$ 2,007,177	\$ 488,470

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (7,519,628)	\$ -	\$ (7,519,628)
	(40,963,201)	-	(40,963,201)
	(13,262,489)	-	(13,262,489)
	(452,297)	-	(452,297)
	(1,205,979)	-	(1,205,979)
	(526,980)	-	(526,980)
	(3,176,989)	-	(3,176,989)
	<u>(67,107,563)</u>	<u>-</u>	<u>(67,107,563)</u>
	-	(1,195,584)	(1,195,584)
	-	30,824	30,824
	<u>-</u>	<u>(1,164,760)</u>	<u>(1,164,760)</u>
	<u>(67,107,563)</u>	<u>(1,164,760)</u>	<u>(68,272,323)</u>
General Revenues			
Taxes			
Property	19,228,572	-	19,228,572
Utility	3,476,968	-	3,476,968
Business district	315,425	-	315,425
Home rule sales	5,455,278	-	5,455,278
Food and beverage	1,259,809	-	1,259,809
Real estate transfer	1,426,037	-	1,426,037
Municipal motor fuel	701,716	-	701,716
Hotel/motel	478,585	-	478,585
Charitable games	8,627	-	8,627
Other	206,759	-	206,759
Intergovernmental - unrestricted			
State sales and use tax	24,370,264	-	24,370,264
Income tax	5,187,361	-	5,187,361
Replacement tax	370,542	-	370,542
Investment income	675,703	196,817	872,520
Miscellaneous	1,049,155	83,369	1,132,524
Total	<u>64,210,801</u>	<u>280,186</u>	<u>64,490,987</u>
CHANGE IN NET POSITION	<u>(2,896,762)</u>	<u>(884,574)</u>	<u>(3,781,336)</u>
NET POSITION (DEFICIT), JANUARY 1	(56,874,737)	42,032,662	(14,842,075)
Change in accounting principle	<u>(10,750,946)</u>	<u>(264,726)</u>	<u>(11,015,672)</u>
NET POSITION (DEFICIT), JANUARY 1, RESTATED	<u>(67,625,683)</u>	<u>41,767,936</u>	<u>(25,857,747)</u>
NET POSITION (DEFICIT), DECEMBER 31	<u>\$ (70,522,445)</u>	<u>\$ 40,883,362</u>	<u>\$ (29,639,083)</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2018

	General	Refuse Disposal	Prospect/Main TIF	Police and Fire Building Construction	Debt Service	Nonmajor	Total
ASSETS							
Cash and investments	\$ 16,672,691	\$ 949,936	\$ 712,311	\$ 31,708,378	\$ 4,100,470	\$ 9,792,239	\$ 63,936,025
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	16,290,898	-	-	-	2,422,107	-	18,713,005
Other taxes	7,994,192	-	-	-	49,586	541,216	8,584,994
Accrued interest	1,443	-	-	38,074	-	-	39,517
Other	370,038	554,516	-	-	-	65,590	990,144
Due from other funds	22,254	-	-	-	-	-	22,254
Due from other governments	49,471	-	748	-	5,960,450	491,732	6,502,401
Inventories	2,604	-	-	-	-	-	2,604
Prepaid items	217,461	74,095	600	-	-	8	292,164
TOTAL ASSETS	\$ 41,621,052	\$ 1,578,547	\$ 713,659	\$ 31,746,452	\$ 12,532,613	\$ 10,890,785	\$ 99,083,108

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

December 31, 2018

	General	Refuse Disposal	Prospect/Main TIF	Police and Fire Building Construction	Debt Service	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 957,709	\$ 249,658	\$ 14,729	\$ 26,272	\$ -	\$ 1,633,132	\$ 2,881,500
Accrued payroll	938,549	8,135	-	-	-	-	946,684
Retainage payable	930	-	-	-	-	85,019	85,949
Other payables	184,921	-	-	-	-	-	184,921
Compensated absences	30,682	-	-	-	-	-	30,682
Unearned revenue	152,283	-	-	-	-	438,036	590,319
Due to other governments	7,513	-	-	-	-	9,089	16,602
Due to other funds	-	-	-	-	-	19,446	19,446
Total liabilities	2,272,587	257,793	14,729	26,272	-	2,184,722	4,756,103
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	16,290,898	-	-	-	2,422,107	-	18,713,005
Unavailable revenue - other	-	-	-	-	5,960,000	-	5,960,000
Total deferred inflows of resources	16,290,898	-	-	-	8,382,107	-	24,673,005
Total liabilities and deferred inflows of resources	18,563,485	257,793	14,729	26,272	8,382,107	2,184,722	29,429,108
FUND BALANCES							
Nonspendable							
Inventory	2,604	-	-	-	-	-	2,604
Prepaid items	217,461	74,095	600	-	-	8	292,164
Restricted							
Highways and streets	-	-	698,330	-	-	2,431,135	3,129,465
Public safety - police	-	-	-	-	-	298,936	298,936
Public safety - fire	-	-	-	-	-	398,223	398,223
Capital projects	-	-	-	31,720,180	-	-	31,720,180
Debt service	-	-	-	-	2,546,115	-	2,546,115
Refuse disposal	-	1,246,659	-	-	-	-	1,246,659
Unrestricted							
Assigned							
Capital projects	-	-	-	-	-	5,577,761	5,577,761
Debt service	-	-	-	-	1,604,391	-	1,604,391
Unassigned	22,837,502	-	-	-	-	-	22,837,502
Total fund balances	23,057,567	1,320,754	698,930	31,720,180	4,150,506	8,706,063	69,654,000
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
	\$ 41,621,052	\$ 1,578,547	\$ 713,659	\$ 31,746,452	\$ 12,532,613	\$ 10,890,785	\$ 99,083,108

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, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 69,654,000
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	68,416,934
Less internal service funds included below	(7,330,085)
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	1,609,087
Deferred inflows of resources	(4,198,143)
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	7,751,377
Deferred inflows of resources	(3,874,360)
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	7,454,589
Deferred inflows of resources	(3,194,847)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Postemployment Benefit Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred inflows of resources	(2,420,426)
Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	5,960,000
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(420,846)
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	(82,885,000)
Loan contracts payable	(57,500)
Installment notes payable	(590,000)
Business district limited tax note payable	(33,192,363)
Compensated absences payable	(3,426,446)
Net pension liability - Illinois Municipal Retirement Fund	(555,045)
Net pension liability - Police Pension Plan	(53,267,003)
Net pension liability - Firefighters Pension Plan	(44,305,742)
Unamortized bond premiums	(2,852,998)
Unamortized loss on refunding	462,542
Total OPEB liability	(10,375,782)
The net position of the internal service funds are included in the governmental activities in the statement of net position	21,115,612
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ (70,522,445)

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, 2018

	General	Refuse Disposal	Prospect/Main TIF	Police and Fire Building Construction	Debt Service	Nonmajor	Total
REVENUES							
Property taxes	\$ 16,368,958	\$ -	\$ 469,613	\$ -	\$ 2,390,000	\$ -	\$ 19,228,571
Other taxes	7,421,670	-	-	-	1,062,104	5,368,202	13,851,976
Licenses, permits, and fees	2,484,451	-	-	-	-	1,600,690	4,085,141
Intergovernmental	29,421,850	-	-	-	1,619,577	1,770,427	32,811,854
Charges for services	1,475,149	4,359,038	-	-	-	-	5,834,187
Fines and forfeits	403,842	-	-	-	-	-	403,842
Investment income	318,490	10,139	78,498	140,508	24,243	103,822	675,700
Other reimbursements	-	-	-	20,552	-	91,877	112,429
Miscellaneous	1,072,315	37,928	169,343	-	450	380,357	1,660,393
Total revenues	58,966,725	4,407,105	717,454	161,060	5,096,374	9,315,375	78,664,093
EXPENDITURES							
Current							
General government	7,743,642	-	250,725	-	-	1,571,930	9,566,297
Public safety	35,005,442	-	-	1,177,398	-	104,687	36,287,527
Highways and streets	7,915,559	-	-	-	-	1,742,900	9,658,459
Health	306,314	4,528,996	-	-	-	-	4,835,310
Welfare	1,410,612	-	-	-	-	387,846	1,798,458
Culture and recreation	572,169	-	-	-	-	-	572,169
Capital outlay	-	-	10,618,596	65,100	-	4,562,088	15,245,784
Debt service							
Principal retirement	-	-	-	-	3,671,871	-	3,671,871
Interest and fiscal charges	-	-	413,109	726,065	1,345,711	-	2,484,885
Total expenditures	52,953,738	4,528,996	11,282,430	1,968,563	5,017,582	8,369,451	84,120,760
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,012,987	(121,891)	(10,564,976)	(1,807,503)	78,792	945,924	(5,456,667)
OTHER FINANCING SOURCES (USES)							
Issuance of debt	-	-	7,060,000	32,499,177	5,940,823	-	45,500,000
Premium on issuance of debt	-	-	258,879	1,028,506	496,121	-	1,783,506
Payment to escrow agent	-	-	-	-	(4,153,816)	-	(4,153,816)
Transfers in	-	-	-	-	1,604,391	750,000	2,354,391
Transfers (out)	(2,354,391)	-	-	-	-	-	(2,354,391)
Total other financing sources (uses)	(2,354,391)	-	7,318,879	33,527,683	3,887,519	750,000	43,129,690
NET CHANGE IN FUND BALANCES	3,658,596	(121,891)	(3,246,097)	31,720,180	3,966,311	1,695,924	37,673,023
FUND BALANCES, JANUARY 1	19,398,971	1,442,645	3,945,027	-	184,195	7,010,139	31,980,977
FUND BALANCES, DECEMBER 31	\$ 23,057,567	\$ 1,320,754	\$ 698,930	\$ 31,720,180	\$ 4,150,506	\$ 8,706,063	\$ 69,654,000

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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 37,673,023
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	7,170,571
Contributions of capital assets are reported as capital contributions in the statement of activities	488,470
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	(4,096,532)
Less internal service funds included below	820,224
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	(45,500,000)
Premium on issuance of bonds	(1,783,506)
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	7,115,000
Loan contracts payable	112,771
Installment notes payable	515,000
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	(667,090)
Amortization of premium	215,351
Amortization of gains and losses on refundings	(61,853)
Increase in compensated absences	165,512
Change in accrued interest	(315,173)
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	(412,746)
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	(2,051,128)
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	(2,198,018)
The change in the total OPEB liability and deferred outflow/inflows of resources is not a source or use of a financial resource	(268,551)
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(1,400,000)
The change in net position of the internal service funds is reported with governmental activities	<u>1,581,913</u>
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (2,896,762)</u></u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 12,425,604	\$ 578,367	\$ 13,003,971	\$ 11,769,387
Receivables				
Accounts - billed	667,896	-	667,896	-
Accounts - unbilled	823,673	-	823,673	-
Accrued interest	-	-	-	4,362
Other	3,360	-	3,360	11,347
Inventories	272,137	-	272,137	324,259
Prepaid items	10,626	-	10,626	122,312
Due from other funds	52	-	52	-
Due from other governments	1,167	-	1,167	12,147
Total current assets	14,204,515	578,367	14,782,882	12,243,814
NONCURRENT ASSETS				
Deposits - insurance	-	-	-	2,663,925
Deposit with joint venture	976,550	-	976,550	-
Subtotal noncurrent assets	976,550	-	976,550	2,663,925
Capital assets				
Capital assets not being depreciated	18,901,543	232,354	19,133,897	2,109,186
Capital assets being depreciated, cost	39,624,959	364,800	39,989,759	13,586,841
Accumulated depreciation	(21,170,829)	(364,800)	(21,535,629)	(8,365,942)
Net capital assets	37,355,673	232,354	37,588,027	7,330,085
Total noncurrent assets	38,332,223	232,354	38,564,577	9,994,010
Total assets	52,536,738	810,721	53,347,459	22,237,824
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	376,615	-	376,615	-
Total assets and deferred outflows of resources	52,913,353	810,721	53,724,074	22,237,824
CURRENT LIABILITIES				
Accounts payable	977,237	22,843	1,000,080	118,518
Accrued payroll	67,315	2,250	69,565	30,558
Retainage payable	206,662	-	206,662	-
Claims payable	-	-	-	556,605
Unearned revenue	-	35,815	35,815	-
Accrued interest payable	28,591	-	28,591	-
Other payables	1,863	-	1,863	17,312
Bonds payable, current	240,000	-	240,000	-
Compensated absences payable	36,042	927	36,969	20,004
Total OPEB liability	11,127	605	11,732	8,190
Total current liabilities	1,568,837	62,440	1,631,277	751,187

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
LONG-TERM LIABILITIES				
Compensated absences payable	\$ 144,169	\$ 3,707	\$ 147,876	\$ 80,018
Claims payable	-	-	-	38,914
Bonds payable, noncurrent	9,587,936	-	9,587,936	-
Total OPEB liability	275,584	14,984	290,568	202,860
Net pension liability - IMRF	129,915	-	129,915	-
Total long-term liabilities	10,137,604	18,691	10,156,295	321,792
Total liabilities	11,706,441	81,131	11,787,572	1,072,979
DEFERRED INFLOWS OF RESOURCES				
OPEB items	66,883	3,637	70,520	49,233
Pension items - IMRF	982,620	-	982,620	-
Total deferred inflows of resources	1,049,503	3,637	1,053,140	49,233
Total liabilities and deferred inflows of resources	12,755,944	84,768	12,840,712	1,122,212
NET POSITION				
Investment in capital assets	32,240,004	232,354	32,472,358	7,330,085
Unrestricted	7,917,405	493,599	8,411,004	13,785,527
TOTAL NET POSITION	\$ 40,157,409	\$ 725,953	\$ 40,883,362	\$ 21,115,612

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, 2018

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 14,224,032	\$ 342,560	\$ 14,566,592	\$ 10,962,924
Contributions	-	-	-	1,708,941
Miscellaneous	-	-	-	19,337
Total operating revenues	14,224,032	342,560	14,566,592	12,691,202
OPERATING EXPENSES				
Administration and maintenance	14,348,479	311,736	14,660,215	2,804,309
Insurance and claims	-	-	-	7,740,158
Depreciation	696,008	-	696,008	820,224
Total operating expenses	15,044,487	311,736	15,356,223	11,364,691
OPERATING INCOME (LOSS)	(820,455)	30,824	(789,631)	1,326,511
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	(5,037)	-	(5,037)	-
Investment income	191,465	5,352	196,817	147,051
Interest and fiscal charges	(370,031)	-	(370,031)	-
Other income	83,369	-	83,369	-
Gain (loss) on the sale of capital assets	(61)	-	(61)	108,351
Total non-operating revenues (expenses)	(100,295)	5,352	(94,943)	255,402
CHANGE IN NET POSITION	(920,750)	36,176	(884,574)	1,581,913
NET POSITION, JANUARY 1	41,327,962	704,700	42,032,662	19,736,825
Change in accounting principle	(249,803)	(14,923)	(264,726)	(203,126)
NET POSITION, JANUARY 1, RESTATED	41,078,159	689,777	41,767,936	19,533,699
NET POSITION, DECEMBER 31	\$ 40,157,409	\$ 725,953	\$ 40,883,362	\$ 21,115,612

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 14,152,804	\$ 339,855	\$ 14,492,659	\$ 3,003,942
Receipts from interfund services	-	-	-	9,657,136
Receipts from miscellaneous revenues	85,585	4,245	89,830	20,247
Payments to suppliers	(10,612,390)	(206,436)	(10,818,826)	(10,417,535)
Payments to employees	(3,328,725)	(96,272)	(3,424,997)	(1,562,051)
Net cash from operating activities	297,274	41,392	338,666	701,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	1,510,427	-	1,510,427	-
Net cash from noncapital financing activities	1,510,427	-	1,510,427	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of bonds	4,393,940	-	4,393,940	-
Proceeds from sale of capital assets	-	-	-	108,351
Acquisition of capital assets	(1,577,376)	-	(1,577,376)	(1,401,969)
Net cash from capital and related financing activities	2,816,564	-	2,816,564	(1,293,618)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	224,065	5,352	229,417	150,849
Net cash from investing activities	224,065	5,352	229,417	150,849
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,848,330	46,744	4,895,074	(441,030)
CASH AND CASH EQUIVALENTS, JANUARY 1	7,577,274	531,623	8,108,897	12,210,417
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 12,425,604	\$ 578,367	\$ 13,003,971	\$ 11,769,387

(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, 2018

	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)	\$ (820,455)	\$ 30,824	\$ (789,631)	\$ 1,326,511
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	696,008	-	696,008	820,224
Other income	83,369	-	83,369	-
Changes in assets and liabilities				
Receivables	(69,012)	-	(69,012)	11,161
Inventories	86,782	-	86,782	(16,026)
Prepaid items	5,778	-	5,778	43,385
Deposits	(23,108)	-	(23,108)	(473,851)
Accounts payable and retainage payable	297,337	10,077	307,414	(8,502)
Accrued payroll and compensated absences	(63,461)	(1,453)	(64,914)	(62,475)
OPEB items	7,421	404	7,825	5,463
Pension items - IMRF	96,615	-	96,615	-
Unearned revenues	-	1,540	1,540	-
Claims payable	-	-	-	(944,151)
NET CASH FROM OPERATING ACTIVITIES	\$ 297,274	\$ 41,392	\$ 338,666	\$ 701,739

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

December 31, 2018

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 2,351,076	\$ 1,115,737
Investments		
State and local obligations	2,995,990	-
U.S. Government and U. S. agency obligations	25,135,844	-
Corporate bonds and obligations	18,541,893	-
Real estate	6,085,331	-
Mutual funds	73,461,186	-
Accrued interest receivable	274,339	-
Prepays	2,832	-
Deposits	-	8,611
	<u> </u>	<u> </u>
Total assets	<u>128,848,491</u>	<u>\$ 1,124,348</u>
LIABILITIES		
Accounts payable	73,045	45
Deposits payable	-	1,124,251
Due to other funds	2,808	52
	<u> </u>	<u> </u>
Total liabilities	<u>75,853</u>	<u>\$ 1,124,348</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 128,772,638</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, 2018

ADDITIONS

Contributions	
Employer	\$ 6,941,375
Plan members	1,526,873
Other	<u>20</u>
Total contributions	<u>8,468,268</u>
Investment income	
Interest earned	1,459,804
Net change in fair value	(6,845,795)
Less investment expenses	<u>(225,179)</u>
Net investment income	<u>(5,611,170)</u>
Total additions	<u>2,857,098</u>

DEDUCTIONS

Administration	101,256
Benefits and refunds	<u>11,317,606</u>
Total deductions	<u>11,418,862</u>

NET INCREASE (8,561,764)

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>137,334,402</u>
December 31	<u><u>\$ 128,772,638</u></u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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 Prospect/Main TIF Fund is used 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, general obligation bond proceeds, and investment income.

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

The Police and Fire Building Construction Fund is used to account for the resources to construct the police and fire building. Financing is provided primarily by general obligation bond proceeds.

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. 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. Rebatable 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 2018 attached as an enforceable lien on January 1, 2018 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, 2019 and August 1, 2019 and are payable in two installments, on or about March 1, 2019 and September 1, 2019. 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 2018 levy is intended to fund the 2019 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 GAAP 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 GAAP. 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. 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, The 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

The following table presents the investments and maturities of the Village’s debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 9,207,002	\$ 7,136,332	\$ 2,070,670	\$ -	\$ -
U.S. agencies	4,949,280	2,477,918	2,471,362	-	-
TOTAL	\$ 14,156,282	\$ 9,614,250	\$ 4,542,032	\$ -	\$ -

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 U.S. agency securities, The Illinois Funds, and IMET are rated AAA.

The Illinois Public Treasurers' Investment Pool, known as The 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 The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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. The 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.

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

3. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES	
Court fines	\$ 27,948
Mount Prospect Public Library	5,960,450
Grants	490,670
Miscellaneous	<u>35,480</u>
TOTAL	<u><u>\$ 6,514,548</u></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 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 <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,425,000	\$ 148,150
2020	1,470,000	105,400
2021	1,515,000	61,300
2022	<u>1,550,000</u>	<u>31,000</u>
TOTAL	<u><u>\$ 5,960,000</u></u>	<u><u>\$ 345,850</u></u>

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

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended December 31, 2018 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	\$ 2,837,682	\$ -	\$ 13,129,128
Construction in progress	2,293,847	5,165,854	431,775	7,027,926
Total capital assets not being depreciated	12,585,293	8,003,536	431,775	20,157,054
Capital assets being depreciated				
Buildings	38,778,498	-	-	38,778,498
Improvements other than buildings	436,273	-	-	436,273
Vehicles	11,306,601	346,591	701,316	10,951,876
Machinery and equipment	3,774,082	398,469	207,293	3,965,258
Infrastructure	86,393,755	771,622	10,465	87,154,912
Total capital assets being depreciated	140,689,209	1,516,682	919,074	141,286,817
Less accumulated depreciation for				
Buildings	11,064,772	770,238	-	11,835,010
Improvements other than buildings	380,935	12,214	-	393,149
Vehicles	6,920,709	602,543	676,316	6,846,936
Machinery and equipment	2,317,651	303,969	205,293	2,416,327
Infrastructure	69,137,979	2,407,568	10,032	71,535,515
Total accumulated depreciation	89,822,046	4,096,532	891,641	93,026,937
Total capital assets being depreciated, net	50,867,163	(2,579,850)	27,433	48,259,880
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 63,452,456	\$ 5,423,686	\$ 459,208	\$ 68,416,934

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	946,477	1,582,725	946,477	1,582,725
Total capital assets not being depreciated	18,497,649	1,582,725	946,477	19,133,897
Capital assets being depreciated				
Buildings and improvements	4,499,808	-	-	4,499,808
Machinery and equipment	5,017,968	-	-	5,017,968
Infrastructure	29,537,909	941,077	7,003	30,471,983
Total capital assets being depreciated	39,055,685	941,077	7,003	39,989,759
Less accumulated depreciation for				
Buildings and improvements	2,932,922	66,341	-	2,999,263
Machinery and equipment	3,343,630	142,728	-	3,486,358
Infrastructure	14,570,011	486,939	6,942	15,050,008
Total accumulated depreciation	20,846,563	696,008	6,942	21,535,629
Total capital assets being depreciated, net	18,209,122	245,069	61	18,454,130
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 36,706,771	\$ 1,827,794	\$ 946,538	\$ 37,588,027

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

GOVERNMENTAL ACTIVITIES

General government	\$ 375,421
Public safety	394,171
Highways and streets	2,497,127
Health and welfare	2,349
Culture and recreation	7,240
Internal service funds	820,224

TOTAL **\$ 4,096,532**

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 were provided for through a limited self-insurance program through December 31, 2018.

Effective January 1, 2018, The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of Illinois municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration and litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Each member appoints one delegate along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Each member assumes the first \$10,000 (higher optional deductibles available) of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

The Village has chosen an optional higher deductible of \$100,000. A related reserve deposit of \$446,245 is being held at IRMA at December 31, 2018.

The Village's 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.

The total claims liability remaining as of December 31, 2018 was \$595,519.

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

5. RISK MANAGEMENT (Continued)

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, 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
Claims incurred - 2018	-	191,886	59,573	251,459
Claims payments - 2018	15,657	1,160,872	19,081	1,195,610
UNPAID CLAIMS,				
DECEMBER 31, 2018	\$ 41	\$ 485,943	\$ 109,535	\$ 595,519

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.

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.

5. RISK MANAGEMENT (Continued)

a. High-Level Excess Liability Pool (Continued)

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.

The Village paid \$43,286 to HELP in 2018.

The Village discontinued its participation in HELP effective April 30, 2018.

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.

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 May 1, 2018, the Village issued General Obligation Bonds, Series 2018A in the amount of \$11,950,000. The proceeds were split into \$7,060,000 used to fund activity in the Prospect/Main TIF Fund and \$4,890,000 to be used in the Water and Sewer Fund.

On October 16, 2018, the Village issued \$38,440,000 General Obligation Bonds, Series 2018B in part to refund \$600,000 of the Series 2009 General Obligation Bonds, \$1,070,000 of the Series 2009B General Obligation Bonds, and \$2,400,900 of the 2009C General Obligation Bonds. Through the refunding, the Village recognized a cash flow loss of \$116,056 and an economic gain of \$35,844.

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.

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.

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

6. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

	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	1,400,000	-	1,400,000	-	-
\$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	2,455,000	-	2,455,000	-	-
\$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	2,265,000	-	735,000	1,530,000	755,000
\$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	5,080,000	-	405,000	4,675,000	560,000

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)						
\$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	\$ 7,360,000	\$ -	\$ 1,400,000	\$ 5,960,000	\$ 1,425,000
\$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	8,980,000	-	120,000	8,860,000	-
\$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	-
\$7,060,000 General Obligation Bonds, Series 2018A, due in annual installments of \$180,000 to \$700,000, plus interest at 3.25% to 5.00% through December 1, 2037.	Debt Service	-	7,060,000	-	7,060,000	-
\$38,440,000 General Obligation Bonds, Series 2018B, due in annual installments of \$155,000 to \$3,110,000, plus interest at 3.625% to 5.00% through December 1, 2042.	Debt Service	-	38,440,000	-	38,440,000	400,000
Total bonds		44,500,000	45,500,000	7,115,000	82,885,000	3,140,000
\$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	170,271	-	112,771	57,500	57,500
Total IEPA flood loan installment notes payable		170,271	-	112,771	57,500	57,500

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)						
\$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	\$ 1,105,000	\$ -	\$ 515,000	\$ 590,000	\$ 590,000
Total installment notes payable		1,105,000	-	515,000	590,000	590,000
\$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	32,525,273	667,090	-	33,192,363	-
Total Business District limited tax note payable		32,525,273	667,090	-	33,192,363	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 78,300,544	\$ 46,167,090	\$ 7,742,771	\$ 116,724,863	\$ 3,787,500
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	\$ -	\$ 125,000	\$ 4,800,000	\$ 125,000
\$4,890,000 General Obligation Bonds, Series 2018, due in annual installments of \$115,000 to \$410,000, plus interest at 3% to 5% through December 1, 2037.	Water	-	4,890,000	180,000	4,710,000	115,000
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 4,925,000	\$ 4,890,000	\$ 305,000	\$ 9,510,000	\$ 240,000

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 2018:

	Debt Retired by	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
Compensated absences	General	\$ 3,771,826	\$ 193,521	\$ 408,197	\$ 3,557,150	\$ 789,936
	Internal					
Claims and judgments	Service	1,539,670	251,459	1,195,610	595,519	556,605
Total OPEB liability	General	12,782,477	-	2,195,645	10,586,832	410,848
General obligation bonds	Debt Service	44,500,000	45,500,000	7,115,000	82,885,000	3,140,000
Unamortized bond premium		1,284,843	1,783,506	215,351	2,852,998	-
Loan contracts payable	Debt Service	170,271	-	112,771	57,500	57,500
Installment notes payable	Debt Service	1,105,000	-	515,000	590,000	590,000
Net pension liability - IMRF	General	6,289,542	-	5,734,497	555,045	-
Net pension liability - Police Pension	General	43,096,949	10,170,054	-	53,267,003	-
Net pension liability - Firefighters' Pension	General	38,857,145	5,448,597	-	44,305,742	-
Business District limited tax note payable	Business District	32,525,273	667,090	-	33,192,363	-
Total governmental activities		185,922,996	64,014,227	17,492,071	232,445,152	5,544,889
BUSINESS-TYPE ACTIVITIES						
General obligation bonds	Water	4,925,000	4,890,000	305,000	9,510,000	240,000
Unamortized bond premium		138,964	185,920	6,948	317,936	-
Compensated absences*		239,257	-	54,412	184,845	36,969
Net pension liability - IMRF**		1,472,140	-	1,342,225	129,915	-
Total OPEB liability*		364,995	-	62,695	302,300	11,732
Total business-type activities		7,140,356	5,075,920	1,771,280	10,444,996	288,701
TOTAL		\$ 193,063,352	\$ 69,090,147	\$ 19,263,351	\$ 242,890,148	\$ 5,833,549

Compensated absences, net pension liabilities, and the net total OPEB liability of the governmental activities are primarily liquidated by the General Fund.

*Compensated absences, net pension liabilities, and the total OPEB liability 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
2019	\$ 3,140,000	\$ 3,282,733	\$ 57,500	\$ 754	\$ 590,000	\$ 5,369
2020	4,015,000	2,980,470	-	-	-	-
2021	4,590,000	2,854,640	-	-	-	-
2022	4,505,000	2,719,030	-	-	-	-
2023	2,780,000	2,592,844	-	-	-	-
2024	2,890,000	2,503,244	-	-	-	-
2025	3,025,000	2,388,044	-	-	-	-
2026	3,160,000	2,280,094	-	-	-	-
2027	3,285,000	2,169,144	-	-	-	-
2028	3,435,000	2,058,069	-	-	-	-
2029	3,075,000	1,941,475	-	-	-	-
2030	3,335,000	1,805,400	-	-	-	-
2031	3,510,000	1,657,063	-	-	-	-
2032	3,695,000	1,501,088	-	-	-	-
2033	3,890,000	1,337,025	-	-	-	-
2034	3,170,000	1,165,119	-	-	-	-
2035	3,320,000	1,052,850	-	-	-	-
2036	3,475,000	933,219	-	-	-	-
2037	3,630,000	807,275	-	-	-	-
2038	2,560,000	675,200	-	-	-	-
2039	2,660,000	576,000	-	-	-	-
2040	2,765,000	469,600	-	-	-	-
2041	2,875,000	359,000	-	-	-	-
2042	2,990,000	244,000	-	-	-	-
2043	3,110,000	124,400	-	-	-	-
TOTAL	\$ 82,885,000	\$ 40,477,026	\$ 57,500	\$ 754	\$ 590,000	\$ 5,369

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
2019	\$ 240,000	\$ 343,081
2020	265,000	334,631
2021	285,000	325,281
2022	310,000	312,531
2023	335,000	298,631
2024	365,000	283,631
2025	395,000	267,281
2026	430,000	249,581
2027	455,000	232,481
2028	485,000	217,731
2029	515,000	201,700
2030	550,000	184,350
2031	585,000	165,444
2032	615,000	144,257
2033	660,000	121,982
2034	695,000	100,119
2035	735,000	77,088
2036	775,000	53,194
2037	815,000	27,513
TOTAL	\$ 9,510,000	\$ 3,940,507

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

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 2019, the Village estimates it will pay SWANCC \$955,403, with annual increases ranging from 0% to 3% through 2022.

8. INTERFUND ACTIVITY

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	CDBG	\$ 19,446
Fiduciary		
General	Police Pension	1,681
General	Firefighters' Pension	<u>1,127</u>
TOTAL		<u><u>\$ 22,254</u></u>

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

- \$19,446 due to the General Fund from the CDBG Fund. The balance represents a short-term operating loan.
- \$2,808 due to the General Fund from the Police and Firefighters' Pension Funds for property tax refunds issued by the county.

Transfers

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

- \$750,000 transferred to the Capital Improvement Fund from the General Fund for capital projects.
- \$1,604,391 transferred to the Debt Service Fund from the General Fund for debt service payments.

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.

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.

10. JOINT VENTURES (Continued)

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

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 \$1,013,707 to SWANCC in 2018. The payments have been recorded in the Refuse Disposal Fund. The Village does not have an equity interest in SWANCC at December 31, 2018.

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.

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)

The seven members of JAWA and their percentage shares as of April 30, 2018 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	17.74%
Village of Hanover Park	8.97%
Village of Hoffman Estates	15.66%
Village of Mount Prospect	11.90%
City of Rolling Meadows	7.41%
Village of Schaumburg	27.69%
Village of Streamwood	<u>10.63%</u>
 TOTAL	 <u>100.00%</u>

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.

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

10. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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 \$6,642,177 to JAWA for 2018. Deposits with JAWA in the amount of \$976,550 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. 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, 2018, retirees contributed \$892,619. For any disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

c. Membership

At December 31, 2018 membership consisted of:

Inactive employees currently receiving benefit payments	82
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>296</u>
 TOTAL	 <u><u>378</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. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Inflation	3.50%
Discount rate	4.11%
Healthcare cost trend rates	8.50% in Fiscal 2018, to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	RPH - 2018 fully generational using scale MP-2018

e. Discount Rate

The discount rate was based on the S&P Municipal Bond 20 year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2018.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2018	<u>\$ 13,147,473</u>
Changes for the period	
Service cost	523,084
Interest	463,660
Changes in assumptions	(1,704,999)
Differences between expected and actual experience	(1,152,702)
Benefit payments	<u>(387,384)</u>
Net changes	<u>(2,258,341)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 10,889,132</u>

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability (Continued)

There was a change in assumptions related to the mortality tables, discount rate, payroll growth rate, healthcare trend rates, and disability, termination and retirement rates in 2018.

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.11% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.11%) or 1 percentage point higher (5.11%) than the current rate:

	1% Decrease (3.11%)	Current Discount Rate (4.11%)	1% Increase (5.11%)
Total OPEB liability	\$ 12,480,842	\$ 10,889,132	\$ 9,595,466

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8.50% to 4.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.50% to 3.50%) or 1 percentage point higher (9.50% to 5.50%) than the current rate:

	1% Decrease (7.50% to 3.50%)	Current Healthcare Rate (8.50% to 4.50%)	1% Increase (9.50% to 5.50%)
Total OPEB liability	\$ 9,387,576	\$ 10,889,132	\$ 12,797,101

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$669,222. At December 31, 2018, the Village reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,024,624
Changes in assumption	<u>1,515,555</u>
TOTAL	<u>\$ 2,540,179</u>

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

Fiscal Year Ending <u>December 31,</u>	
2019	\$ (317,522)
2020	(317,522)
2021	(317,522)
2022	(317,522)
2023	(317,522)
Thereafter	<u>(952,569)</u>
TOTAL	<u>\$ (2,540,179)</u>

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 contribution rate for calendar year 2018 was 11.76%.

Plan Membership

At December 31, 2017 (most recent information available), IMRF membership consisted of:

Inactive plan members currently receiving benefits	249
Inactive plan members entitled to but not yet receiving benefits	160
Active plan members	247
 TOTAL	 656

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, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Asset valuation method	Market value of assets
Assumptions	
Price inflation	2.50%
Salary increases	3.39% to 14.25%
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-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2014). 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, 2017	\$ 95,738,341	\$ 85,124,800	\$ 10,613,541
Changes for the period			
Service cost	1,811,298	-	1,811,298
Interest	7,087,425	-	7,087,425
Difference between expected and actual experience	570,864	-	570,864
Changes in assumptions	(3,034,659)	-	(3,034,659)
Employer contributions	-	1,941,668	(1,941,668)
Employee contributions	-	766,547	(766,547)
Net investment income	-	14,755,335	(14,755,335)
Benefit payments and refunds	(4,289,989)	(4,289,989)	-
Other (net transfer)	-	(1,351,715)	1,351,715
Net changes	2,144,939	11,821,846	(9,676,907)
BALANCES AT DECEMBER 31, 2017	\$ 97,883,280	\$ 96,946,646	\$ 936,634

There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

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, 2017, the employer contributions, and the net pension liability at December 31, 2017 were \$7,761,683, \$1,419,942, and \$684,960, respectively. The Library's collective shares of the net pension liability at January 1, 2017, the employer contributions, and the net pension liability at December 31, 2017 were \$2,851,858, \$521,726, and \$251,674, respectively.

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

For the year ended December 31, 2018, the Village recognized pension expense of \$2,099,450.

At December 31, 2018, 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	\$ 333,840	\$ 481,878
Changes in assumptions	61,875	1,744,485
Employer contributions after the measurement date	1,589,987	-
Net difference between projected and actual earnings on pension plan investments	-	2,954,400
	<u> </u>	<u> </u>
TOTAL	<u>\$ 1,985,702</u>	<u>\$ 5,180,763</u>

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)

\$1,589,987 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, 2019. 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>	
2019	\$ (962,096)
2020	(963,487)
2021	(1,619,041)
2022	<u>(1,240,424)</u>
 TOTAL	 <u>\$ (4,785,048)</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability (asset) 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)	\$ 9,608,472	\$ 684,960	\$ (6,702,722)
Net pension liability (library)	3,530,421	251,674	(2,462,767)
 Net pension liability (total)	 <u>\$ 13,138,893</u>	 <u>\$ 936,634</u>	 <u>\$ (9,165,489)</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, 2018, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	80
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	84
 TOTAL	 173

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, 2018, the Village's contribution was 42.32% of covered payroll. The Village utilizes the entry-age normal actuarial cost method to fund the plan.

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

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 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. The 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 Morningstar Analyst Research Center – SBBI Data for the period December 31, 1925 through December 31, 2017. The International Equity equals the MSCI EAFE Index for the period December 31, 1969 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, 2018. 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 The 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, 2018, 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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.21)%. 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, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 3,980,240	\$ 94,288	\$ 1,618,425	\$ 2,172,671	\$ 94,856
U.S. agencies	6,991,899	1,610	314,820	1,078,159	5,597,310
State, local, and municipal bonds	2,257,990	140,102	413,735	510,670	1,193,483
Corporate bonds	9,374,108	527,607	5,970,890	2,657,173	218,438
TOTAL	\$ 22,604,237	\$ 763,607	\$ 8,317,870	\$ 6,418,673	\$ 7,104,087

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, 2018: 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. Treasury and U.S. agencies, money market mutual funds, and The 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. The 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, 2018 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 114,166,011	\$ 71,069,062	\$ 43,096,949
Changes for the period			
Service cost	1,575,461	-	1,575,461
Interest	8,195,228	-	8,195,228
Difference between expected and actual experience	(208,550)	-	(208,550)
Changes in assumptions	1,320,658	-	1,320,658
Employer contributions	-	3,608,602	(3,608,602)
Employee contributions	-	838,893	(838,893)
Net investment income	-	(3,697,156)	3,697,156
Benefit payments and refunds	(5,407,697)	(5,407,697)	-
Administrative expense	-	(37,596)	37,596
Net changes	5,475,100	(4,694,954)	10,170,054
BALANCES AT DECEMBER 31, 2018	\$ 119,641,111	\$ 66,374,108	\$ 53,267,003

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, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
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, with improvement scale MP-2018 applied generally from 2013. Mortality rates for disabled individuals were 115% of the health mortality table with improvement scale MP-2018 applied generally from 2013. The actuarial assumptions used in the December 31, 2018 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	\$ 70,641,028	\$ 53,267,003	\$ 39,191,652

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, 2018, the Village recognized police pension expense of \$5,659,730.

At December 31, 2018, 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	\$ 20,630	\$ 3,874,360
Changes in assumptions	2,940,261	-
Net difference between projected and actual earnings on pension plan investments	4,790,486	-
TOTAL	\$ 7,751,377	\$ 3,874,360

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>	
2019	\$ 1,806,676
2020	166,051
2021	(18,367)
2022	1,737,309
2023	185,348
TOTAL	\$ 3,877,017

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, 2018, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	89
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>73</u>
TOTAL	<u>164</u>

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)

a. 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, 2018, the Village's contribution was 44.32% 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, The 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. The 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, 2018. 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 The 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, 2018, 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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.80)%. 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 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, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury	\$ 3,985,083	\$ 248,033	\$ 1,953,613	\$ 1,783,437	\$ -
U.S. agencies	10,178,622	1,609	899,677	1,731,246	7,546,090
State, local and municipal bonds	738,000	211,555	415,985	110,460	-
Corporate bonds	9,167,785	65,446	6,439,011	2,525,283	138,045
TOTAL	\$ 24,069,490	\$ 526,643	\$ 9,708,286	\$ 6,150,426	\$ 7,684,135

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, 2018: 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. Treasury and U.S. agencies, money market mutual funds, and The 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. The 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, 2018 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 105,122,485	\$ 66,265,340	\$ 38,857,145
Changes for the period			
Service cost	1,427,248	-	1,427,248
Interest	7,510,621	-	7,510,621
Difference between expected and actual experience	(2,255,993)	-	(2,255,993)
Changes in assumptions	809,820	-	809,820
Employer contributions	-	3,332,773	(3,332,773)
Employee contributions	-	688,000	(688,000)
Net investment income	-	(1,914,014)	1,914,014
Benefit payments and refunds	(5,909,909)	(5,909,909)	-
Administrative expense	-	(63,660)	63,660
Net changes	1,581,787	(3,866,810)	5,448,597
BALANCES AT DECEMBER 31, 2018	\$ 106,704,272	\$ 62,398,530	\$ 44,305,742

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, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
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-2017. Mortality rates for disabled individuals were based on the RP-2004 Disabled Mortality Table, projected from 2006 to 2018 using Scale MP-2017. 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	\$ 58,176,403	\$ 44,305,742	\$ 32,916,484

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, 2018, the Village recognized firefighter's pension expense of \$5,530,791.

At December 31, 2018, 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	\$ 1,528,193	\$ 2,785,723
Changes in assumptions	3,202,060	409,124
Net difference between projected and actual earnings on pension plan investments	2,724,336	-
TOTAL	\$ 7,454,589	\$ 3,194,847

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>	
2019	\$ 1,950,711
2020	1,433,342
2021	65,922
2022	1,094,773
2023	(78,409)
Thereafter	(206,597)
TOTAL	\$ 4,259,742

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	\$ 1,018,476	\$ 1,332,600	\$ 2,351,076
Investments			
State and local obligations	2,257,990	738,000	2,995,990
U.S. Government and U.S. agency obligations	10,972,139	14,163,705	25,135,844
Corporate bonds and obligations	9,374,108	9,167,785	18,541,893
Real estate	-	6,085,331	6,085,331
Mutual funds	42,656,272	30,804,914	73,461,186
Accrued interest receivable	135,485	138,854	274,339
Prepays	1,162	1,670	2,832
	<u>66,415,632</u>	<u>62,432,859</u>	<u>128,848,491</u>
LIABILITIES			
Accounts payable	39,843	33,202	73,045
Due to other funds	1,681	1,127	2,808
	<u>41,524</u>	<u>34,329</u>	<u>75,853</u>
NET POSITION	<u>\$ 66,374,108</u>	<u>\$ 62,398,530</u>	<u>\$ 128,772,638</u>

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	\$ 3,608,602	\$ 3,332,773	\$ 6,941,375
Employee	838,873	688,000	1,526,873
Other	20	-	20
Total contributions	4,447,495	4,020,773	8,468,268
Invest income			
Net (depreciation) in fair value of investments	(4,332,402)	(2,513,393)	(6,845,795)
Interest income	762,164	697,640	1,459,804
Less investment expense	(126,918)	(98,261)	(225,179)
Net investment income	(3,697,156)	(1,914,014)	(5,611,170)
Total additions	750,339	2,106,759	2,857,098
DEDUCTIONS			
Administrative	37,596	63,660	101,256
Pension benefits and refunds	5,407,697	5,909,909	11,317,606
Total deductions	5,445,293	5,973,569	11,418,862
NET INCREASE (DECREASE)	(4,694,954)	(3,866,810)	(8,561,764)
NET POSITION RESTRICTED FOR PENSIONS			
January 1	71,069,062	66,265,340	137,334,402
December 31	\$ 66,374,108	\$ 62,398,530	\$ 128,772,638

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

13. CHANGE IN ACCOUNTING PRINCIPLE

The Village adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended December 31, 2018. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes presented in the notes to financial statements and to the required supplementary information. The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION (DEFICIT), AS PREVIOUSLY REPORTED	\$ (56,874,737)
Change in accounting principle	
To record the Village total OPEB liability	<u>(10,750,946)</u>
BEGINNING NET POSITION (DEFICIT), RESTATED	<u>\$ (67,625,683)</u>

BUSINESS-TYPE ACTIVITIES

	Parking System Revenue Fund	Village Parking System Fund	Water and Sewer Fund	Total Business- Type Activities
NET POSITION, AS PREVIOUSLY REPORTED	\$ 147,461	\$ 557,239	\$ 41,327,962	\$ 42,032,662
Change in accounting principle	<u>(1,555)</u>	<u>(13,368)</u>	<u>(249,803)</u>	<u>(264,726)</u>
NET POSITION, RESTATED	<u>\$ 145,906</u>	<u>\$ 543,871</u>	<u>\$ 41,078,159</u>	<u>\$ 41,767,936</u>

With the implementation of GASB Statement No. 75, the Village is required to retroactively record the total OPEB liability.

14. 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, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 16,540,000	\$ 16,540,000	\$ 16,368,958
Other taxes	7,355,000	7,285,000	7,421,670
Licenses, permits, and fees	2,405,000	2,695,000	2,484,451
Intergovernmental	24,723,860	28,823,860	29,421,850
Charges for services	1,544,900	1,324,900	1,475,149
Fines and forfeits	427,000	377,000	403,842
Investment income	205,000	315,000	318,490
Miscellaneous	267,500	982,500	1,072,315
Total revenues	<u>53,468,260</u>	<u>58,343,260</u>	<u>58,966,725</u>
EXPENDITURES			
General government	8,363,436	8,843,505	7,743,642
Public safety	34,898,479	34,940,648	35,005,442
Highways and streets	8,251,789	8,414,227	7,915,559
Health	285,148	285,148	306,314
Welfare	1,660,594	1,660,594	1,410,612
Culture and recreation	605,972	605,972	572,169
Total expenditures	<u>54,065,418</u>	<u>54,750,094</u>	<u>52,953,738</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(750,000)</u>	<u>(2,392,000)</u>	<u>(2,354,391)</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>(2,392,000)</u>	<u>(2,354,391)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,347,158)</u>	<u>\$ 1,201,166</u>	3,658,596
FUND BALANCE, JANUARY 1			<u>19,398,971</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 23,057,567</u></u>

(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, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services	\$ 4,322,000	\$ 4,322,000	\$ 4,359,038
Investment income	4,000	4,000	10,139
Miscellaneous	11,000	11,000	37,928
Total revenues	<u>4,337,000</u>	<u>4,337,000</u>	<u>4,407,105</u>
EXPENDITURES			
Health			
Refuse disposal division			
Personal services	270,999	270,999	267,842
Employee benefits	119,861	119,861	123,512
Other employee costs	1,324	1,324	349
Contractual services	3,888,076	4,136,141	4,095,525
Utilities	474	474	153
Insurance	26,673	26,673	5,892
Commodities and supplies	40,763	40,763	35,723
Total expenditures	<u>4,348,170</u>	<u>4,596,235</u>	<u>4,528,996</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (11,170)</u></u>	<u><u>\$ (259,235)</u></u>	<u>(121,891)</u>
FUND BALANCE, JANUARY 1			<u>1,442,645</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,320,754</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**

For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property	\$ 253,953	\$ 470,000	\$ 469,613
Investment income	-	86,000	78,498
Miscellaneous	-	170,000	169,343
	<hr/>		
Total revenues	253,953	726,000	717,454
	<hr/>		
EXPENDITURES			
General government			
Contractual services	183,000	330,000	250,564
Commodities and supplies	1,500	1,500	161
Capital outlay			
Infrastructure	1,070,000	1,070,000	5,113
Land improvements	750,000	750,000	40,053
Land acquisition	1,000,000	7,213,000	7,374,427
Other	2,323,000	3,323,000	3,199,003
Debt service			
Interest and fiscal charges	183,419	446,419	413,109
	<hr/>		
Total expenditures	5,510,919	13,133,919	11,282,430
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,256,966)	(12,407,919)	(10,564,976)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	7,061,000	7,060,000
Premium on bonds issued	-	159,000	258,879
Proceeds from sale of capital assets	1,600,000	-	-
	<hr/>		
Total other financing sources (uses)	1,600,000	7,220,000	7,318,879
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (3,656,966)</u>	<u>\$ (5,187,919)</u>	(3,246,097)
FUND BALANCE, JANUARY 1			<u>3,945,027</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 698,930</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Fiscal Year

MEASUREMENT DATE DECEMBER 31,	2018
TOTAL OPEB LIABILITY	
Service cost	\$ 523,084
Interest	463,660
Changes in assumptions	(1,704,999)
Differences between expected and actual experience	(1,152,702)
Implicit benefit payments	<u>(387,384)</u>
Net change in total OPEB liability	(2,258,341)
Total OPEB liability - beginning	<u>13,147,473</u>
TOTAL OPEB LIABILITY - ENDING	<u>\$ 10,889,132</u>
Covered payroll	\$ 26,110,072
Employer's total OPEB liability as a percentage of covered payroll	41.70%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There was a change in assumptions related to the mortality tables, discount rate, payroll growth rate, healthcare trend rates, and disability, termination, and retirement rates in 2018.

Ultimately, this schedule should present 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 EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018
Actuarially determined contribution	\$ 1,362,420	\$ 1,453,487	\$ 1,432,869	\$ 1,589,987
Contributions in relation to the actuarially determined contribution	<u>1,362,420</u>	<u>1,453,487</u>	<u>1,432,869</u>	<u>1,589,987</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,923,390	\$ 12,115,732	\$ 12,407,217	\$ 13,521,371
Contributions as a percentage of covered payroll	11.43%	12.00%	11.55%	11.76%

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 26 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.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 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	\$ 3,607,934
Contributions in relation to the actuarially determined contribution	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	3,608,602
CONTRIBUTION DEFICIENCY (Excess)	\$ (49,337)	\$ (2,496)	\$ (37,174)	\$ (26,490)	\$ 773	\$ (1,247)	\$ (8,527)	\$ (28,524)	\$ 69,754	\$ (668)
Covered payroll	\$ 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	\$ 8,526,976
Contributions as a percentage of covered payroll	21.09%	30.77%	32.99%	31.90%	32.40%	37.26%	36.25%	39.06%	44.86%	42.32%

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 22 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,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 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	\$ 3,320,940
Contributions in relation to the actuarially determined contribution	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	3,332,773
CONTRIBUTION DEFICIENCY (Excess)	\$ (124,454)	\$ (3,432)	\$ (15,311)	\$ (36,712)	\$ (47,738)	\$ 2,389	\$ (6,215)	\$ (217,384)	\$ (190,648)	\$ (11,833)
Covered payroll	\$ 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	\$ 7,519,070
Contributions as a percentage of covered payroll	24.89%	32.71%	34.77%	36.76%	36.84%	37.97%	39.31%	40.20%	46.63%	44.32%

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

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
Employer's proportion of net pension liability	73.13%	73.13%	73.13%	73.13%
Employer's proportionate share of net pension liability	\$ 5,212,280	\$ 8,590,918	\$ 7,761,683	\$ 684,961
Employer's covered payroll	11,890,055	11,923,390	12,115,732	12,407,217
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	43.84%	72.05%	64.06%	5.52%
Plan fiduciary net position as a percentage of the total pension liability	91.93%	87.23%	88.91%	99.04%

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 Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,890,407	\$ 1,777,310	\$ 1,732,924	\$ 1,557,284	\$ 1,575,461
Investment income	6,479,504	7,210,826	8,221,483	7,951,856	8,195,228
Differences between expected and actual experience	860,183	95,650	(5,201,074)	(1,650,048)	(208,550)
Changes of assumptions	4,844,398	7,268,193	29,971	385,618	1,320,658
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)	(4,688,978)	(4,404,364)	(5,407,697)
Net change in total pension liability	9,957,372	11,822,017	94,326	3,840,346	5,475,100
Total pension liability - beginning	88,451,950	98,409,322	110,231,339	110,325,665	114,166,011
TOTAL PENSION LIABILITY - ENDING	\$ 98,409,322	\$ 110,231,339	\$ 110,325,665	\$ 114,166,011	\$ 119,641,111
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 2,924,226	\$ 2,918,395	\$ 3,232,887	\$ 3,747,825	\$ 3,608,602
Contributions - member	851,363	795,827	815,684	830,240	838,893
Net investment income	3,845,862	545,802	4,161,658	8,967,014	(3,697,156)
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)	(4,688,978)	(4,404,364)	(5,407,697)
Administrative expense	(60,382)	(49,947)	(44,605)	(48,339)	(37,596)
Net change in plan fiduciary net position	3,443,949	(319,885)	3,476,646	9,092,376	(4,694,954)
Plan fiduciary net position - beginning	55,375,976	58,819,925	58,500,040	61,976,686	71,069,062
PLAN FIDUCIARY NET POSITION - ENDING	\$ 58,819,925	\$ 58,500,040	\$ 61,976,686	\$ 71,069,062	\$ 66,374,108
EMPLOYER'S NET PENSION LIABILITY	\$ 39,589,397	\$ 51,731,299	\$ 48,348,979	\$ 43,096,949	\$ 53,267,003
Plan fiduciary net position as a percentage of the total pension liability	59.77%	53.07%	56.18%	62.25%	55.48%
Covered payroll	\$ 7,848,795	\$ 8,049,995	\$ 8,276,985	\$ 8,354,290	\$ 8,526,976
Employer's net pension liability as a percentage of covered payroll	504.40%	642.60%	584.10%	515.90%	624.70%

Notes to Required Supplementary Information

Year Ended December 31, 2018 - There were changes in assumptions related to the mortality rates from December 31, 2017.

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,673,836	\$ 1,515,101	\$ 1,429,810	\$ 1,426,033	\$ 1,427,248
Investment income	5,780,241	6,270,507	7,296,444	7,228,968	7,510,621
Differences between expected and actual experience	225,575	1,603,162	(1,491,027)	1,470,077	(2,255,993)
Changes of assumptions	3,234,155	7,648,623	396,832	(572,774)	809,820
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)	(4,981,207)	(5,427,385)	(5,909,909)
Net change in total pension liability	6,754,819	12,442,517	2,650,852	4,124,919	1,581,787
Total pension liability - beginning	79,149,378	85,904,197	98,346,714	100,997,566	105,122,485
TOTAL PENSION LIABILITY - ENDING	\$ 85,904,197	\$ 98,346,714	\$ 100,997,566	\$ 105,122,485	\$ 106,704,272
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 2,466,165	\$ 2,532,317	\$ 2,806,983	\$ 3,396,834	\$ 3,332,773
Contributions - member	644,384	606,932	668,070	678,476	688,000
Net investment income	3,963,252	1,806,126	3,049,538	9,323,369	(1,914,014)
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)	(4,981,207)	(5,427,385)	(5,909,909)
Administrative expense	(62,889)	(62,136)	(55,257)	(50,783)	(63,660)
Net change in plan fiduciary net position	2,851,924	288,363	1,488,127	7,920,511	(3,866,810)
Plan fiduciary net position - beginning	53,716,415	56,568,339	56,856,702	58,344,829	66,265,340
PLAN FIDUCIARY NET POSITION - ENDING	\$ 56,568,339	\$ 56,856,702	\$ 58,344,829	\$ 66,265,340	\$ 62,398,530
EMPLOYER'S NET PENSION LIABILITY	\$ 29,335,858	\$ 41,490,012	\$ 42,652,737	\$ 38,857,145	\$ 44,305,742
Plan fiduciary net position as a percentage of the total pension liability	65.85%	57.81%	57.77%	63.04%	58.48%
Covered payroll	\$ 6,495,510	\$ 6,441,588	\$ 6,981,704	\$ 7,284,199	\$ 7,519,070
Employer's net pension liability as a percentage of covered payroll	451.60%	644.10%	610.90%	533.40%	589.20%

Notes to Required Supplementary Information

Year Ended December 31, 2018 - There were changes in assumptions related to the mortality rates from December 31, 2017.

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 Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	6.92%	0.92%	7.15%	14.29%	(5.21%)

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 Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	7.60%	3.38%	5.58%	16.49%	(2.80%)

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, 2018

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 GAAP. 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.

**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.

The Prospect/Main TIF 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, general obligation bond proceeds, and investment income.

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

Police and Fire Building Construction Fund - to account for the resources to construct the police and fire building.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
TAXES			
Property taxes - general	\$ 10,089,000	\$ 10,089,000	\$ 9,977,875
Property taxes - police pension	3,323,000	3,323,000	3,296,602
Property taxes - firefighters' pension	2,998,000	2,998,000	2,971,973
Road and bridge property taxes	130,000	130,000	122,508
Auto rental tax	20,000	20,000	18,940
Food and beverage tax	815,000	815,000	884,637
Real estate transfer tax	1,250,000	1,430,000	1,426,037
Hotel/motel tax	300,000	300,000	251,397
Telecommunications tax	2,000,000	1,750,000	1,783,974
Home rule sales tax	1,300,000	1,300,000	1,363,690
Gas utility tax	510,000	510,000	536,397
Electric utility tax	1,160,000	1,160,000	1,156,598
Total taxes	23,895,000	23,825,000	23,790,628
LICENSES, PERMITS, AND FEES			
Liquor licenses	180,000	180,000	180,875
Business licenses	150,000	150,000	147,694
Contractor licenses	55,000	55,000	97,900
Alarm licenses	44,000	44,000	45,315
Elevator licenses	30,000	30,000	25,050
Building permit fees	600,000	785,000	780,756
Electrical permit fees	8,000	8,000	-
Reinspection fees	40,000	40,000	16,600
Vacant structure registration fees	5,000	5,000	7,500
Truck rental fees	1,000	1,000	3,115
Utility permit fees	5,000	5,000	6,700
Plan examination fees	60,000	60,000	-
Stormwater detention	5,000	5,000	-
Street opening fees	2,000	2,000	-
ZBA hearing fees	10,000	10,000	11,750
Public improvement inspections	45,000	45,000	-
Village impact fees	-	105,000	102,231
False alarm fees	10,000	10,000	4,405
Landlord/tenant fees	300,000	300,000	290,182
Cable TV franchise	855,000	855,000	764,378
Total licenses, permits, and fees	2,405,000	2,695,000	2,484,451
INTERGOVERNMENTAL			
State sales tax	17,765,000	21,925,000	22,294,944
State income tax	5,150,000	5,150,000	5,187,361
State use tax	1,370,000	1,370,000	1,543,922
Charitable games tax	5,000	5,000	8,627

(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, 2018

	Budget		Actual
	Original	Final	
INTERGOVERNMENTAL (Continued)			
Replacement taxes	\$ 425,000	\$ 365,000	\$ 363,594
Replacement taxes - road and bridge	7,000	7,000	6,948
Grant - body armor	1,860	1,860	5,339
Grant - NACCHO	-	-	2,115
Grant - other	-	-	9,000
Total intergovernmental	24,723,860	28,823,860	29,421,850
CHARGES FOR SERVICES			
Maintenance of state highways	105,000	105,000	103,774
Ambulance transport fees	1,120,000	900,000	1,068,641
Forest River Rural FPD	55,000	55,000	48,600
Cable programming fees	27,000	27,000	-
Other programs	35,500	35,500	41,078
Special detail revenue	35,000	35,000	46,528
Police training revenue	5,000	5,000	6,253
Fire training revenue	25,000	25,000	14,969
Lease payments - cell tower	118,500	118,500	126,405
General store lease	18,900	18,900	18,901
Total charges for services	1,544,900	1,324,900	1,475,149
FINES AND FORFEITS			
Fines - parking	260,000	210,000	209,616
Fines - local ordinances	1,000	1,000	900
Fines - code enforcement	20,000	20,000	23,940
Fines - circuit court	110,000	110,000	105,655
Fines - parental responsibility	1,000	1,000	1,050
Forfeited escrow funds	35,000	35,000	62,681
Total fines and forfeits	427,000	377,000	403,842
INVESTMENT INCOME			
Investment income	201,000	311,000	306,897
Interest - escrow funds	4,000	4,000	11,593
Total investment income	205,000	315,000	318,490
MISCELLANEOUS			
Reimburse - high school youth officer	95,900	95,900	97,653
Reimburse - Library	28,000	28,000	20,906
Shared cost - sidewalk	15,000	15,000	5,676
Shared cost - tree replacement	25,000	25,000	1,980
Reimburse - village property	15,000	15,000	6,481

(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, 2018

	Budget		Actual
	Original	Final	
MISCELLANEOUS (Continued)			
Other reimbursements	\$ 25,000	\$ 25,000	\$ 101,706
Human services revenue	12,000	12,000	18,738
Fire and police reports	5,000	5,000	6,242
Animal release fees	500	500	175
Subpoena fees	1,000	1,000	230
Other revenue	45,100	760,100	812,528
Total miscellaneous	267,500	982,500	1,072,315
TOTAL REVENUES	<u>\$ 53,468,260</u>	<u>\$ 58,343,260</u>	<u>\$ 58,966,725</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration	\$ 167,901	\$ 167,901	\$ 159,710
Village administration	4,201,126	4,201,126	3,733,109
Finance department	2,638,570	3,159,770	2,735,100
Community development - administration	1,308,889	1,308,889	1,109,904
Benefit payments	46,950	5,819	5,819
Total general government	8,363,436	8,843,505	7,743,642
PUBLIC SAFETY			
Community development - code enforcement	785,310	785,310	854,780
Police department	18,560,040	18,584,620	18,564,213
Fire department	15,553,129	15,570,718	15,586,449
Total public safety	34,898,479	34,940,648	35,005,442
HIGHWAYS AND STREETS			
Public works department	8,251,789	8,414,227	7,915,559
Total highways and streets	8,251,789	8,414,227	7,915,559
HEALTH			
Community development - health	285,148	285,148	306,314
WELFARE			
Human services department	1,246,498	1,246,498	1,165,269
Community development - housing	414,096	414,096	245,343
Total welfare	1,660,594	1,660,594	1,410,612
CULTURE AND RECREATION			
Public representation - community and civic services	605,972	605,972	572,169
TOTAL EXPENDITURES	\$ 54,065,418	\$ 54,750,094	\$ 52,953,738

(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, 2018

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration			
Mayor and Board of Trustees			
Personal services	\$ 37,882	\$ 37,882	\$ 38,190
Employee benefits	8,418	8,418	8,371
Other employee costs	6,000	6,000	2,964
Contractual services	110,320	110,320	106,771
Utilities	449	449	787
Commodities and supplies	4,832	4,832	2,627
Total public representation - administration	167,901	167,901	159,710
Village administration			
Village Manager's office			
Personal services	464,924	464,924	482,113
Employee benefits	168,435	168,435	210,868
Other employee costs	23,242	23,242	16,649
Contractual services	70,376	70,376	17,842
Utilities	3,625	3,625	4,139
Commodities and supplies	6,601	6,601	6,905
Office and other equipment	225	225	225
Insurance	-	-	17,018
Total Village Manager's office	737,428	737,428	755,759
Legal services			
Contractual services	785,500	785,500	556,076
Human resources			
Personal services	180,594	180,594	162,123
Employee benefits	162,874	162,874	224,279
Other employee costs	59,600	59,600	37,694
Contractual services	8,900	8,900	5,783
Commodities and supplies	1,200	1,200	1,062
Total human resources	413,168	413,168	430,941
Information technology			
Personal services	555,229	555,229	480,278
Employee benefits	218,317	218,317	252,590
Other employee costs	14,141	14,141	9,500
Contractual services	715,727	715,727	598,862
Utilities	5,628	5,628	4,921
Commodities and supplies	3,645	3,645	372
Office and other equipment	17,250	17,250	15,247
Total information technology	1,529,937	1,529,937	1,361,770

(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, 2018

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Village administration (Continued)			
Communication division			
Communications			
Personal services	\$ 84,545	\$ 84,545	\$ 84,864
Employee benefits	44,436	44,436	47,124
Other employee costs	2,900	2,900	735
Contractual services	77,317	77,317	61,967
Utilities	300	300	-
Commodities and supplies	1,800	1,800	1,217
Total communications	211,298	211,298	195,907
Television services			
Personal services	65,774	65,774	66,434
Employee benefits	33,853	33,853	33,292
Contractual services	34,065	34,065	29,121
Utilities	1,678	1,678	765
Commodities and supplies	4,500	4,500	2,340
Office and other equipment	25,000	25,000	13,856
Total television services	164,870	164,870	145,808
Community engagement			
Other employee costs	8,200	8,200	-
Contractual services	130,000	130,000	125,392
Utilities	920	920	1,151
Commodities and supplies	1,381	1,381	18
Total communication engagement	140,501	140,501	126,561
Total communication division	516,669	516,669	468,276
Village Clerk's office			
Administration and support			
Personal services	91,807	91,807	85,579
Employee benefits	47,743	47,743	39,833
Other employee costs	1,800	1,800	2,043
Contractual services	37,932	37,932	18,507
Utilities	839	839	382
Commodities and supplies	1,103	1,103	736
Total Village Clerk's office	181,224	181,224	147,080
Computer hardware/software			
Office and other equipment	37,200	37,200	13,207
Total computer hardware/software	37,200	37,200	13,207
Total Village administration	4,201,126	4,201,126	3,733,109

(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, 2018

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Finance department			
Administration and support			
Personal services	\$ 151,367	\$ 151,367	\$ 155,061
Employee benefits	42,943	42,943	66,374
Other employee costs	29,050	29,050	15,829
Contractual services	254,361	254,361	198,028
Utilities	5,500	5,500	3,352
Commodities and supplies	18,450	18,450	7,516
Office and other equipment	673,211	1,194,411	1,285,031
Insurance	-	-	11,230
Total administration and support	1,174,882	1,696,082	1,742,421
Accounting			
Personal services	379,600	379,600	363,544
Employee benefits	152,977	152,977	138,191
Other employee costs	2,135	2,135	-
Contractual services	3,100	3,100	1,519
Commodities and supplies	16,549	16,549	11,411
Total accounting	554,361	554,361	514,665
Insurance			
Personal services	38,032	38,032	38,921
Employee benefits	11,040	11,040	13,908
Insurance	417,611	417,611	22,074
Total insurance	466,683	466,683	74,903
Customer service			
Personal services	266,787	266,787	253,178
Employee benefits	88,957	88,957	86,138
Contractual services	72,410	72,410	55,862
Other employee costs	2,250	2,250	115
Commodities and supplies	12,240	12,240	7,818
Total customer service	442,644	442,644	403,111
Total finance department	2,638,570	3,159,770	2,735,100
Community development - administration			
Administration and support - economic development planning and zoning			
Personal services	126,206	126,206	126,683
Employee benefits	48,797	48,797	43,046
Other employee costs	4,943	4,943	4,606
Contractual services	27,000	27,000	45,700
Utilities	2,280	2,280	1,808
Insurance	-	-	4,991
Commodities and supplies	1,104	1,104	206
Total administration and support - economic development planning and zoning	210,330	210,330	227,040

(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, 2018

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Community development - administration (Continued)			
Planning and zoning			
Personal services	\$ 204,217	\$ 204,217	\$ 192,254
Employee benefits	69,233	69,233	51,843
Other employee costs	7,903	7,903	8,617
Contractual services	49,343	49,343	11,356
Utilities	1,324	1,324	573
Commodities and supplies	16,002	16,002	8,363
Total planning and zoning	348,022	348,022	273,006
Economic development			
Personal services	131,282	131,282	129,204
Employee benefits	31,977	31,977	32,252
Other employee costs	1,656	1,656	530
Contractual services	90,000	90,000	42,517
Total economic development	254,915	254,915	204,503
Community development - administration			
Administration and support - building and inspections			
Personal services	304,351	304,351	241,070
Employee benefits	148,334	148,334	99,359
Other employee costs	3,037	3,037	2,041
Contractual services	27,000	27,000	44,000
Utilities	9,841	9,841	-
Insurance	-	-	15,716
Commodities and supplies	3,059	3,059	3,169
Total administration and support - building and inspections	495,622	495,622	405,355
Total community development - administration	1,308,889	1,308,889	1,109,904
Benefit payments			
Contractual services	46,950	5,819	5,819
Total benefit payments	46,950	5,819	5,819
Total general government	8,363,436	8,843,505	7,743,642
PUBLIC SAFETY			
Community development - code enforcement			
Building inspections			
Personal services	403,356	403,356	514,557
Employee benefits	197,750	197,750	249,789
Other employee costs	4,872	4,872	2,411
Contractual services	136,316	136,316	71,185
Utilities	9,861	9,861	9,596
Commodities and supplies	33,155	33,155	7,242
Total community development - code enforcement	785,310	785,310	854,780

(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, 2018

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Police department			
Administration and support			
Personal services	\$ 804,446	\$ 804,446	\$ 785,432
Employee benefits	4,040,035	4,040,035	3,918,722
Other employee costs	173,900	173,900	136,939
Contractual services	111,277	123,077	75,468
Utilities	34,651	34,651	26,615
Commodities and supplies	26,912	26,912	21,595
Office and other equipment	13,060	22,060	5,714
Insurance	-	-	126,383
Total administration and support	5,204,281	5,225,081	5,096,868
Records			
Personal services	344,265	344,265	339,561
Employee benefits	148,274	148,274	159,328
Contractual services	16,670	16,670	10,102
Commodities and supplies	4,830	4,830	4,647
Office and other equipment	500	500	-
Total records	514,539	514,539	513,638
Patrol and traffic enforcement			
Personal services	7,597,320	7,512,419	7,605,588
Employee benefits	1,448,103	1,432,921	1,711,913
Contractual services	781,390	775,390	693,918
Commodities and supplies	86,210	95,990	91,258
Office and other equipment	7,325	7,325	4,280
Total patrol and traffic enforcement	9,920,348	9,824,045	10,106,957
K-9 unit			
Personal services	-	84,901	84,899
Employee benefits	-	15,182	15,181
Total K-9 unit	-	100,083	100,080
Crime prevention and public services			
Personal services	133,437	133,437	134,458
Employee benefits	33,355	33,355	34,757
Other employee costs	4,000	4,000	3,836
Contractual services	4,337	4,337	1,083
Commodities and supplies	15,985	15,985	26,274
Total crime prevention and public services	191,114	191,114	200,408
Investigative			
Personal services	1,607,229	1,607,229	1,471,713
Employee benefits	276,542	276,542	272,177
Contractual services	42,455	42,455	31,496
Utilities	13,923	13,923	10,164
Commodities and supplies	4,290	4,290	4,030
Office and other equipment	800	800	283
Total investigative	1,945,239	1,945,239	1,789,863

(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, 2018

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Equipment maintenance			
Contractual services	\$ 743,019	\$ 743,019	\$ 720,694
Commodities and supplies	32,800	32,800	25,581
Office and other equipment	8,700	8,700	10,124
Total equipment maintenance	784,519	784,519	756,399
Total police department	18,560,040	18,584,620	18,564,213
Fire department			
Administration and support			
Personal services	668,835	668,835	618,299
Employee benefits	3,700,098	3,700,098	3,693,267
Other employee costs	47,550	47,650	38,362
Contractual services	67,348	68,648	72,410
Commodities and supplies	11,250	11,250	9,486
Office and other equipment	1,500	1,500	1,420
Insurance	-	-	156,840
Total administration and support	4,496,581	4,497,981	4,590,084
Fire department operations			
Personal services	7,502,294	7,502,294	7,586,531
Employee benefits	1,415,382	1,415,382	1,375,966
Other employee costs	91,900	89,750	63,764
Contractual services	200,793	201,693	182,118
Commodities and supplies	15,722	17,199	18,829
Office and other equipment	142,403	159,915	151,068
Total fire department operations	9,368,494	9,386,233	9,378,276
Fire prevention			
Personal services	275,096	275,096	265,162
Employee benefits	122,499	122,499	114,402
Other employee costs	6,005	6,005	5,011
Contractual services	10,730	9,180	8,511
Commodities and supplies	12,260	12,260	10,764
Total fire prevention	426,590	425,040	403,850
Communications			
Contractual services	2,700	2,700	2,594
Utilities	64,117	64,117	39,282
Commodities and supplies	1,600	1,600	1,178
Office and other equipment	17,000	17,000	16,922
Total communications	85,417	85,417	59,976
Equipment maintenance			
Contractual services	900,855	900,855	900,855
Total equipment maintenance	900,855	900,855	900,855

(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, 2018

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Emergency preparedness			
Personal services	\$ 146,020	\$ 146,020	\$ 148,222
Employee benefits	38,637	38,637	46,634
Other employee costs	3,060	3,060	1,833
Contractual services	4,080	4,080	5,115
Commodities and supplies	8,870	8,870	8,082
Total emergency preparedness	200,667	200,667	209,886
Paid on call			
Personal services	26,252	26,252	11,292
Employee benefits	1,423	1,423	798
Other employee costs	10,150	10,150	2,525
Office and other equipment	1,700	1,700	1,700
Total paid on call	39,525	39,525	16,315
Computer hardware/software			
Capital expenditure	35,000	35,000	27,207
Total computer hardware/software	35,000	35,000	27,207
Total fire department	15,553,129	15,570,718	15,586,449
Total public safety	34,898,479	34,940,648	35,005,442
HIGHWAYS AND STREETS			
Public works department			
Administration and support			
Personal services	259,352	259,352	264,177
Employee benefits	174,118	174,118	217,697
Other employee costs	31,497	31,497	30,903
Contractual services	1,096,117	1,096,117	1,092,640
Utilities	15,039	15,039	8,306
Commodities and supplies	16,126	16,126	18,098
Office and other equipment	1,605	1,605	542
Insurance	-	-	105,227
Total administration and support	1,593,854	1,593,854	1,737,590
Street and buildings division			
Administration			
Personal services	108,731	108,731	112,022
Employee benefits	48,976	48,976	41,992
Utilities	4,080	4,080	3,561
Commodities and supplies	270	270	-
Total administration	162,057	162,057	157,575

(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, 2018

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street and buildings division (Continued)			
Maintenance - public buildings			
Personal services	\$ 433,660	\$ 433,660	\$ 478,609
Employee benefits	177,017	177,017	225,284
Contractual services	383,531	383,531	289,240
Utilities	58,523	58,523	49,886
Commodities and supplies	128,154	128,154	120,532
Other expenditures	54,245	54,245	-
Total maintenance - public buildings	1,235,130	1,235,130	1,163,551
Street maintenance			
Personal services	133,235	133,235	126,147
Employee benefits	49,608	49,608	54,565
Contractual services	509,714	672,152	380,002
Commodities and supplies	28,667	28,667	27,603
Total street maintenance	721,224	883,662	588,317
Snow removal			
Personal services	333,239	333,239	336,277
Employee benefits	126,182	126,182	134,982
Contractual services	127,364	127,364	72,462
Commodities and supplies	14,265	14,265	12,787
Office and other equipment	16,236	16,236	537
Total snow removal	617,286	617,286	557,045
Storm sewer/basin maintenance			
Personal services	72,175	72,175	66,975
Employee benefits	24,262	24,262	55,796
Contractual services	12,831	12,831	7,906
Commodities and supplies	9,855	9,855	4,378
Total storm sewer/basin maintenance	119,123	119,123	135,055
Maintenance of state highways			
Personal services	32,549	32,549	28,800
Employee benefits	13,343	13,343	14,721
Contractual services	19,589	19,589	15,978
Commodities and supplies	31,670	31,670	25,320
Total maintenance of state highways	97,151	97,151	84,819
Traffic sign maintenance			
Personal services	87,639	87,639	92,991
Employee benefits	30,228	30,228	80,652
Commodities and supplies	25,500	25,500	25,424
Total traffic sign maintenance	143,367	143,367	199,067
Total street and buildings division	3,095,338	3,257,776	2,885,429

(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, 2018

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Forestry division			
Administration and support			
Personal services	\$ 105,947	\$ 105,947	\$ 101,351
Employee benefits	37,084	37,084	35,170
Commodities and supplies	450	450	265
Total administration and support	143,481	143,481	136,786
Maintenance of grounds			
Personal services	266,581	266,581	280,304
Employee benefits	95,860	95,860	143,430
Contractual services	172,560	172,560	151,762
Commodities and supplies	9,556	9,556	7,564
Office and other equipment	49,132	49,132	43,942
Total maintenance of grounds	593,689	593,689	627,002
Forestry program			
Personal services	352,287	352,287	359,713
Employee benefits	144,542	144,542	144,968
Other employee costs	6,462	6,462	6,028
Contractual services	464,528	464,528	376,330
Utilities	3,423	3,423	4,654
Commodities and supplies	11,814	11,814	10,372
Total forestry program	983,056	983,056	902,065
Public grounds beautification			
Personal services	29,508	29,508	31,613
Employee benefits	9,818	9,818	10,165
Contractual services	2,650	2,650	2,644
Commodities and supplies	35,541	35,541	35,368
Total public grounds beautification	77,517	77,517	79,790
Total forestry division	1,797,743	1,797,743	1,745,643
Engineering division			
Engineering services			
Personal services	648,465	648,465	666,385
Employee benefits	240,722	240,722	238,896
Other employee costs	5,453	5,453	4,845
Contractual services	65,111	65,111	59,862
Utilities	5,304	5,304	5,586
Commodities and supplies	5,832	5,832	5,366
Office and other equipment	2,408	2,408	1,950
Total engineering services	973,295	973,295	982,890

(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, 2018

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Engineering division (Continued)			
Traffic control and street lighting			
Personal services	\$ 123,062	\$ 123,062	\$ 118,129
Employee benefits	52,733	52,733	54,253
Contractual services	16,799	16,799	21,079
Utilities	73,440	73,440	45,333
Commodities and supplies	27,525	27,525	26,544
Total traffic control and street lighting	293,559	293,559	265,338
Total engineering division	1,266,854	1,266,854	1,248,228
Capital expenditures			
Infrastructure			
Resurfacing/curbs	282,000	282,000	95,812
Miscellaneous - forestry	216,000	216,000	202,857
Total capital expenditures	498,000	498,000	298,669
Total highways and streets	8,251,789	8,414,227	7,915,559
HEALTH			
Community development - health			
Health inspections			
Personal services	183,179	183,179	165,530
Employee benefits	85,657	85,657	130,953
Other employee costs	1,423	1,423	223
Contractual services	10,106	10,106	8,386
Utilities	1,935	1,935	306
Commodities and supplies	2,848	2,848	916
Total health	285,148	285,148	306,314
WELFARE			
Human services department			
Administration and support			
Personal services	147,068	147,068	147,923
Employee benefits	86,867	86,867	76,263
Other employee costs	1,718	1,718	780
Contractual services	31,748	31,748	23,606
Utilities	7,170	7,170	4,391
Commodities and supplies	3,543	3,543	4,653
Office and other equipment	2,090	2,090	412
Insurance	-	-	9,574
Total administration and support	280,204	280,204	267,602
Social services			
Personal services	271,283	271,283	217,309
Employee benefits	107,269	107,269	74,899
Other employee costs	4,081	4,081	1,612
Commodities and supplies	531	531	27
Total social services	383,164	383,164	293,847

(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, 2018

	Budget		Actual
	Original	Final	
WELFARE (Continued)			
Human services department (Continued)			
Nursing/health services			
Personal services	\$ 117,119	\$ 117,119	\$ 113,593
Employee benefits	51,411	51,411	52,890
Other employee costs	920	920	543
Contractual services	419	419	237
Commodities and supplies	5,280	5,280	3,393
Total nursing/health services	175,149	175,149	170,656
Community Connections Center			
Personal services	212,083	212,083	247,256
Employee benefits	84,008	84,008	95,661
Other employee costs	3,396	3,396	692
Contractual services	100,689	100,689	84,961
Utilities	4,908	4,908	2,784
Commodities and supplies	2,897	2,897	1,810
Total Community Connections Center	407,981	407,981	433,164
Total human services department	1,246,498	1,246,498	1,165,269
Community development - housing			
Housing inspections			
Personal services	229,123	229,123	128,078
Employee benefits	101,258	101,258	62,729
Other employee costs	5,295	5,295	764
Contractual services	67,750	67,750	49,844
Utilities	5,298	5,298	306
Commodities and supplies	5,372	5,372	3,622
Total community development - housing	414,096	414,096	245,343
Total welfare	1,660,594	1,660,594	1,410,612
CULTURE AND RECREATION			
Community groups and miscellaneous			
Contractual services	177,700	177,700	190,802
Other expenditures	6,000	6,000	3,744
Total community groups and miscellaneous	183,700	183,700	194,546
Public relations - community and civic services			
4th of July and civic events			
Personal services	155,399	155,399	148,429
Employee benefits	49,866	49,866	44,177
Contractual services	60,538	60,538	52,704
Commodities and supplies	41,341	41,341	32,737
Total 4th of July and civic events	307,144	307,144	278,047
Centennial commission			
Commodities and supplies	-	-	35
Total centennial commission	-	-	35

(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, 2018

	Budget		Actual
	Original	Final	
CULTURE AND RECREATION (Continued)			
Public relations - community and civic services (Continued)			
Holiday decorations			
Personal services	\$ 10,362	\$ 10,362	\$ 8,376
Employee benefits	2,831	2,831	2,488
Contractual services	74,711	74,711	62,984
Commodities and supplies	23,738	23,738	22,364
Total holiday decorations	111,642	111,642	96,212
Blood drive program			
Personal services	1,844	1,844	1,843
Employee benefits	142	142	141
Commodities and supplies	1,500	1,500	1,345
Total blood drive program	3,486	3,486	3,329
Total culture and recreation	605,972	605,972	572,169
TOTAL EXPENDITURES	\$ 54,065,418	\$ 54,750,094	\$ 52,953,738

(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, 2018

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Single-family service charges	\$ 3,200,000	\$ 3,200,000	\$ 3,205,703
Multi-family service charges	975,000	975,000	1,000,083
Single-family penalties	40,000	40,000	32,771
Multi-family penalties	6,000	6,000	3,858
Contract administrative fees	100,000	100,000	96,119
Yard waste cart rental	-	-	19,704
Recycling bins	1,000	1,000	800
Total charges for services	4,322,000	4,322,000	4,359,038
INVESTMENT INCOME	4,000	4,000	10,139
MISCELLANEOUS	11,000	11,000	37,928
TOTAL OPERATING REVENUES	<u>\$ 4,337,000</u>	<u>\$ 4,337,000</u>	<u>\$ 4,407,105</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE AND FIRE BUILDING CONSTRUCTION FUND**

CAPITAL PROJECTS FUND

For the Year Ended December 31, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ 140,000	\$ 140,508
Other reimbursements	-	21,000	20,552
Total revenues	-	161,000	161,060
EXPENDITURES			
Public safety			
Contractual services	-	1,250,000	1,177,398
Capital outlay			
Facility construction	-	75,000	65,100
Debt service			
Interest and fiscal charges	-	726,000	726,065
Total expenditures	-	2,051,000	1,968,563
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,890,000)	(1,807,503)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	32,500,000	32,499,177
Premium on issuance of debt	-	1,028,000	1,028,506
Total other financing sources (uses)	-	33,528,000	33,527,683
NET CHANGE IN FUND BALANCE	\$ -	\$ 31,638,000	31,720,180
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ 31,720,180

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property - levy	\$ 2,380,000	\$ 2,390,000	\$ 2,390,000
Other taxes			
Home rule sales tax	1,012,518	1,012,518	1,062,104
Investment income	1,000	24,500	24,243
Intergovernmental revenue	1,618,150	1,619,150	1,619,577
Miscellaneous income	-	-	450
	<hr/>		
Total revenues	5,011,668	5,046,168	5,096,374
	<hr/>		
EXPENDITURES			
Debt service			
Principal retirement	3,712,771	3,671,871	3,671,871
Interest and fiscal charges	1,302,201	1,347,349	1,345,711
	<hr/>		
Total expenditures	5,014,972	5,019,220	5,017,582
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,304)	26,948	78,792
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	5,940,000	5,940,823
Premium on issuance of debt	-	496,700	496,121
Payment to escrow agent	-	(4,153,817)	(4,153,816)
Transfers in	-	1,642,000	1,604,391
	<hr/>		
Total other financing sources (uses)	-	3,924,883	3,887,519
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (3,304)	\$ 3,951,831	3,966,311
	<hr/>		
FUND BALANCE, JANUARY 1			184,195
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 4,150,506
	<hr/>		

(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.

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, 2018

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and investments	\$ 3,842,406	\$ 5,949,833	\$ 9,792,239
Receivables			
Other taxes	344,959	196,257	541,216
Other	65,590	-	65,590
Due from other governments	476,245	15,487	491,732
Prepaid items	8	-	8
TOTAL ASSETS	\$ 4,729,208	\$ 6,161,577	\$ 10,890,785
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,134,335	\$ 498,797	\$ 1,633,132
Retainage payable	-	85,019	85,019
Due to other funds	19,446	-	19,446
Due to other governments	9,089	-	9,089
Unearned revenue	438,036	-	438,036
Total liabilities	1,600,906	583,816	2,184,722
FUND BALANCES			
Nonspendable			
Prepaid items	8	-	8
Restricted			
Highways and streets	2,431,135	-	2,431,135
Public safety - police	298,936	-	298,936
Public safety - fire	398,223	-	398,223
Assigned			
Capital projects	-	5,577,761	5,577,761
Total fund balances	3,128,302	5,577,761	8,706,063
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,729,208	\$ 6,161,577	\$ 10,890,785

(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, 2018

	Special Revenue	Capital Projects	Total
REVENUES			
Other taxes	\$ 1,637,002	\$ 3,731,200	\$ 5,368,202
Licenses, permits, and fees	-	1,600,690	1,600,690
Intergovernmental	1,720,327	50,100	1,770,427
Investment income	51,573	52,249	103,822
Other reimbursements	-	91,877	91,877
Miscellaneous	95,838	284,519	380,357
Total revenues	3,504,740	5,810,635	9,315,375
EXPENDITURES			
Current			
General government	1,571,930	-	1,571,930
Public safety	104,687	-	104,687
Highways and streets	1,742,900	-	1,742,900
Welfare	387,846	-	387,846
Capital outlay	-	4,562,088	4,562,088
Total expenditures	3,807,363	4,562,088	8,369,451
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(302,623)	1,248,547	945,924
OTHER FINANCING SOURCES (USES)			
Transfers in	-	750,000	750,000
Total other financing sources (uses)	-	750,000	750,000
NET CHANGE IN FUND BALANCES	(302,623)	1,998,547	1,695,924
FUND BALANCES, JANUARY 1	3,430,925	3,579,214	7,010,139
FUND BALANCES, DECEMBER 31	\$ 3,128,302	\$ 5,577,761	\$ 8,706,063

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2018

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
ASSETS				
Cash and investments	\$ 2,347,524	\$ -	\$ 142,105	\$ 20,308
Receivables				
Other taxes	117,649	-	-	-
Other	-	-	-	-
Due from other governments	2,412	473,833	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 2,467,585	\$ 473,833	\$ 142,105	\$ 20,308
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 27,361	\$ 16,351	\$ 850	\$ -
Due to other funds	-	19,446	-	-
Due to other governments	9,089	-	-	-
Unearned revenue	-	438,036	-	-
Total liabilities	36,450	473,833	850	-
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	-	-
Restricted				
Highways and streets	2,431,135	-	-	-
Public safety - police	-	-	141,255	20,308
Public safety - fire	-	-	-	-
Total fund balances	2,431,135	-	141,255	20,308
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,467,585	\$ 473,833	\$ 142,105	\$ 20,308

DUI Fines	Foreign Fire Insurance	Business District	Total
\$ 133,350	\$ 398,642	\$ 800,477	\$ 3,842,406
-	-	227,310	344,959
5,703	-	59,887	65,590
-	-	-	476,245
-	8	-	8
\$ 139,053	\$ 398,650	\$ 1,087,674	\$ 4,729,208
\$ 1,680	\$ 419	\$ 1,087,674	\$ 1,134,335
-	-	-	19,446
-	-	-	9,089
-	-	-	438,036
1,680	419	1,087,674	1,600,906
-	8	-	8
-	-	-	2,431,135
137,373	-	-	298,936
-	398,223	-	398,223
137,373	398,231	-	3,128,302
\$ 139,053	\$ 398,650	\$ 1,087,674	\$ 4,729,208

(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, 2018

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,386,441	302,577	9,644	-
Investment income	32,553	-	1,639	114
Miscellaneous	10,569	85,269	-	-
Total revenues	1,429,563	387,846	11,283	114
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	42,936	-
Highways and streets	1,742,900	-	-	-
Welfare	-	387,846	-	-
Total expenditures	1,742,900	387,846	42,936	-
NET CHANGE IN FUND BALANCES	(313,337)	-	(31,653)	114
FUND BALANCES, JANUARY 1	2,744,472	-	172,908	20,194
FUND BALANCES, DECEMBER 31	\$ 2,431,135	\$ -	\$ 141,255	\$ 20,308

DUI Fines	Foreign Fire Insurance	Business District	Total
\$ -	\$ 78,234	\$ 1,558,768	\$ 1,637,002
21,665	-	-	1,720,327
311	3,794	13,162	51,573
-	-	-	95,838
21,976	82,028	1,571,930	3,504,740
-	-	1,571,930	1,571,930
25,531	36,220	-	104,687
-	-	-	1,742,900
-	-	-	387,846
25,531	36,220	1,571,930	3,807,363
(3,555)	45,808	-	(302,623)
140,928	352,423	-	3,430,925
\$ 137,373	\$ 398,231	\$ -	\$ 3,128,302

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 1,395,000	\$ 1,395,000	\$ 1,386,441
Investment income	5,000	5,000	32,553
Miscellaneous	15,000	15,000	10,569
Total revenues	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,429,563</u>
EXPENDITURES			
Highways and streets			
Street division	<u>1,468,723</u>	<u>1,799,382</u>	<u>1,742,900</u>
Total expenditures	<u>1,468,723</u>	<u>1,799,382</u>	<u>1,742,900</u>
NET CHANGE IN FUND BALANCE	<u>\$ (53,723)</u>	<u>\$ (384,382)</u>	(313,337)
FUND BALANCE, JANUARY 1			<u>2,744,472</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,431,135</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, 2018

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS			
Public works department			
Street division			
Street maintenance			
Contractual services	\$ 176,016	\$ 176,016	\$ 175,994
Total street division	176,016	176,016	175,994
Snow removal			
Contractual services	81,183	81,183	79,247
Commodities and supplies	350,000	350,000	335,020
Total snow removal	431,183	431,183	414,267
Traffic control/street lighting			
Contractual services	95,912	95,912	72,952
Utilities	165,612	165,612	167,487
Total traffic control/street lighting	261,524	261,524	240,439
Street improvement projects			
Infrastructure	600,000	930,659	912,200
Total street improvement projects	600,000	930,659	912,200
TOTAL EXPENDITURES	\$ 1,468,723	\$ 1,799,382	\$ 1,742,900

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Grant - CDBG	\$ 378,666	\$ 412,925	\$ 302,577
Miscellaneous			
Program income	60,000	60,000	85,269
	<hr/>		
Total revenues	438,666	472,925	387,846
	<hr/>		
EXPENDITURES			
Welfare			
Administration	7,628	40,121	33,866
Community programs	49,000	50,766	34,993
Residential rehabilitation	382,038	382,038	318,987
	<hr/>		
Total expenditures	438,666	472,925	387,846
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
	<hr/>		
FUND BALANCE, JANUARY 1			-
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ -
	<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, 2018

	Budget		Actual
	Original	Final	
WELFARE			
Administration and support			
Personal services	\$ -	\$ 27,440	\$ 27,440
Employee benefits	-	5,053	5,052
Other employee costs	1,104	1,104	1,114
Contractual services	5,974	5,974	250
Commodities and supplies	550	550	10
Total administration and support	7,628	40,121	33,866
Community programs			
Contractual services	49,000	50,766	34,993
Total community programs	49,000	50,766	34,993
Residential rehabilitation			
Contractual services	382,038	382,038	318,987
Total residential rehabilitation	382,038	382,038	318,987
TOTAL EXPENDITURES	\$ 438,666	\$ 472,925	\$ 387,846

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Seized assets	\$ 6,500	\$ 6,500	\$ 9,644
Investment income	500	500	1,639
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>11,283</u>
EXPENDITURES			
Public safety			
Other employee costs	1,000	1,000	-
Contractual services	15,500	16,500	10,349
Commodities and supplies	24,400	24,400	15,365
Equipment	3,000	18,000	17,222
Total expenditures	<u>43,900</u>	<u>59,900</u>	<u>42,936</u>
NET CHANGE IN FUND BALANCE	<u>\$ (36,900)</u>	<u>\$ (52,900)</u>	(31,653)
FUND BALANCE, JANUARY 1			<u>172,908</u>
FUND BALANCE, DECEMBER 31			<u>\$ 141,255</u>

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Federal equitable shared funds	\$ 1,800	\$ 1,800	\$ -
Investment income	200	200	114
	<hr/>		
Total revenues	2,000	2,000	114
	<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	\$ -	\$ -	114
	<hr/>		
FUND BALANCE, JANUARY 1			20,194
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 20,308
	<hr/>		

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
DUI fines	\$ 25,000	\$ 25,000	\$ 21,665
Investment income	500	500	311
Total revenues	<u>25,500</u>	<u>25,500</u>	<u>21,976</u>
EXPENDITURES			
Public safety			
Patrol and traffic enforcement			
Other employee costs	1,000	1,000	550
Contractual services	1,000	1,000	-
Equipment	1,000	24,000	24,981
Total expenditures	<u>3,000</u>	<u>26,000</u>	<u>25,531</u>
NET CHANGE IN FUND BALANCE	<u>\$ 22,500</u>	<u>\$ (500)</u>	<u>(3,555)</u>
FUND BALANCE, JANUARY 1			<u>140,928</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 137,373</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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Foreign fire insurance tax	\$ 90,000	\$ 90,000	\$ 78,234
Investment income	2,000	2,000	3,794
Total revenues	92,000	92,000	82,028
EXPENDITURES			
Public safety			
Insurance	500	500	-
Other employee costs	15,000	15,000	3,731
Contractual services	15,000	15,130	10,729
Commodities and supplies	5,000	13,000	13,000
Equipment	30,000	21,870	8,760
Total expenditures	65,500	65,500	36,220
NET CHANGE IN FUND BALANCE	\$ 26,500	\$ 26,500	45,808
FUND BALANCE, JANUARY 1			352,423
FUND BALANCE, DECEMBER 31			\$ 398,231

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Food and beverage tax	\$ 420,000	\$ 370,000	\$ 375,172
Hotel/motel tax	245,000	245,000	227,188
Movie theatre tax	110,000	110,000	109,585
Business district tax	325,000	325,000	315,425
State sales tax	420,000	520,000	531,398
Investment income	3,000	3,000	13,162
Total revenues	<u>1,523,000</u>	<u>1,573,000</u>	<u>1,571,930</u>
EXPENDITURES			
General government	1,523,000	1,573,000	1,571,930
Total expenditures	<u>1,523,000</u>	<u>1,573,000</u>	<u>1,571,930</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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2018

	Capital Improvement	Flood Control Construction	Street Improvement Construction	Total
ASSETS				
Cash and investments	\$ 2,833,642	\$ 1,790,756	\$ 1,325,435	\$ 5,949,833
Receivables				
Other taxes	63,690	14,104	118,463	196,257
Due from other governments	-	-	15,487	15,487
TOTAL ASSETS	\$ 2,897,332	\$ 1,804,860	\$ 1,459,385	\$ 6,161,577
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 436,419	\$ 24,602	\$ 37,776	\$ 498,797
Retainage payable	46,119	38,900	-	85,019
Total liabilities	482,538	63,502	37,776	583,816
FUND BALANCES				
Unrestricted				
Assigned				
Capital projects	2,414,794	1,741,358	1,421,609	5,577,761
Total fund balances	2,414,794	1,741,358	1,421,609	5,577,761
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,897,332	\$ 1,804,860	\$ 1,459,385	\$ 6,161,577

(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, 2018

	Capital Improvement	Flood Control Construction	Street Improvement Construction	Total
REVENUES				
Taxes				
Other	\$ 1,363,690	\$ 302,104	\$ 2,065,406	\$ 3,731,200
Licenses, permits, and fees	-	-	1,600,690	1,600,690
Intergovernmental	-	-	50,100	50,100
Investment income	22,818	18,716	10,715	52,249
Other reimbursements	-	20,000	71,877	91,877
Miscellaneous	56,036	50,595	177,888	284,519
Total revenues	1,442,544	391,415	3,976,676	5,810,635
EXPENDITURES				
Capital outlay	1,477,193	468,597	2,616,298	4,562,088
Total expenditures	1,477,193	468,597	2,616,298	4,562,088
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,649)	(77,182)	1,360,378	1,248,547
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	-	-	750,000
NET CHANGE IN FUND BALANCES	715,351	(77,182)	1,360,378	1,998,547
FUND BALANCES, JANUARY 1	1,699,443	1,818,540	61,231	3,579,214
FUND BALANCES, DECEMBER 31	\$ 2,414,794	\$ 1,741,358	\$ 1,421,609	\$ 5,577,761

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,300,000	\$ 1,300,000	\$ 1,363,690
Investment income	1,000	1,000	22,818
Miscellaneous			
Other	-	57,000	56,036
Donations	10,000	10,000	-
	<hr/>		
Total revenues	1,311,000	1,368,000	1,442,544
	<hr/>		
EXPENDITURES			
Capital outlay			
Equipment	412,247	522,247	343,353
Building improvements	480,000	538,225	339,283
Infrastructure	1,457,030	2,050,151	794,557
	<hr/>		
Total expenditures	2,349,277	3,110,623	1,477,193
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,038,277)	(1,742,623)	(34,649)
OTHER FINANCING SOURCES (USES)			
Transfers in	750,000	750,000	750,000
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (288,277)</u>	<u>\$ (992,623)</u>	715,351
FUND BALANCE, JANUARY 1			<u>1,699,443</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,414,794</u></u>

(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, 2018

	Budget		Actual
	Original	Final	
EXPENDITURES			
Equipment			
Cable TV equipment	\$ -	\$ -	\$ 37,492
Avid edit system	40,000	40,000	28,046
Car lift	150,000	150,000	48,336
Paramedic equipment	40,000	40,000	19,955
Police department software	-	110,000	53,432
Fire notification system	55,000	55,000	26,546
Radio equipment - police/fire/public works	127,247	127,247	129,546
Total equipment	<u>412,247</u>	<u>522,247</u>	<u>343,353</u>
Building improvements			
Public works facility improvements	105,000	105,000	9,998
HVAC replacements	275,000	333,225	255,818
Other public building improvements	100,000	100,000	73,467
Total building improvements	<u>480,000</u>	<u>538,225</u>	<u>339,283</u>
Infrastructure			
D/T Streetscape Program	-	68,902	-
Residential street lights	125,000	156,181	120,900
Residential street light improvements	224,000	224,000	204,878
Contractual services - brick sidewalks	78,030	78,030	76,313
Corridor improvements	200,000	300,000	15,500
Corridor street lights	305,000	305,000	-
Jogging path	-	15,000	-
Kensington road improvement	-	88,086	65,435
Kensington road bike path	95,000	95,000	-
Brick sidewalks	30,000	30,000	19,250
Detention pond improvements	-	289,952	208,171
Bridge rehab	175,000	175,000	42,400
Pedestrian bridge	125,000	125,000	-
Parking deck maintenance	100,000	100,000	41,710
Total infrastructure	<u>1,457,030</u>	<u>2,050,151</u>	<u>794,557</u>
TOTAL EXPENDITURES	<u>\$ 2,349,277</u>	<u>\$ 3,110,623</u>	<u>\$ 1,477,193</u>

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Other taxes			
Home rule sales tax	\$ 288,000	\$ 288,000	\$ 302,104
Miscellaneous			
Fees	25,000	25,000	50,595
Other reimbursements	20,000	20,000	20,000
Investment income	6,000	6,000	18,716
Total revenues	<u>339,000</u>	<u>339,000</u>	<u>391,415</u>
EXPENDITURES			
Capital outlay			
Public improvements			
Infrastructure	762,102	1,063,322	435,008
Other	57,856	57,856	33,589
Total expenditures	<u>819,958</u>	<u>1,121,178</u>	<u>468,597</u>
NET CHANGE IN FUND BALANCE	<u>\$ (480,958)</u>	<u>\$ (782,178)</u>	(77,182)
FUND BALANCE, JANUARY 1			<u>1,818,540</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,741,358</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, 2018

	Budget		Actual
	Original	Final	
CAPITAL OUTLAY			
Public improvements			
Infrastructure			
Levee repairs	\$ 43,696	\$ 43,696	\$ 42,174
Culvert and ditch	30,600	30,600	15,224
Levee supplies	5,306	5,306	4,351
Creek bank stabilization	25,000	46,343	27,734
Creek tree trimming	25,500	25,500	22,392
Private property drainage	120,000	120,000	103,975
Weller Creek improvements	50,000	50,000	2,664
Storm sewer inspection program	102,000	155,775	45,108
Levee 37	360,000	410,546	88,746
Storm sewer improvements	-	175,556	82,640
Total infrastructure	762,102	1,063,322	435,008
Other			
Electricity	2,550	2,550	2,132
Residential reimbursements	5,306	5,306	1,000
Contractual services	50,000	50,000	30,457
Total other	57,856	57,856	33,589
TOTAL EXPENDITURES	\$ 819,958	\$ 1,121,178	\$ 468,597

(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, 2018

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,300,000	\$ 1,300,000	\$ 1,363,690
Municipal motor fuel tax	680,000	680,000	701,716
License fees	1,650,000	1,650,000	1,600,690
Intergovernmental	-	-	50,100
Investment income	2,000	2,000	10,715
Other reimbursements	-	72,000	71,877
Miscellaneous income	30,000	190,000	177,888
	<hr/>		
Total revenues	3,662,000	3,894,000	3,976,676
	<hr/>		
EXPENDITURES			
Capital outlay			
Contractual services	40,000	40,000	18,631
Infrastructure			
Street resurfacing	3,777,000	3,777,000	2,597,667
	<hr/>		
Total expenditures	3,817,000	3,817,000	2,616,298
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (155,000)</u>	<u>\$ 77,000</u>	1,360,378
FUND BALANCE, JANUARY 1			<hr/> 61,231
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,421,609</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, 2018

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
OPERATING REVENUES			
Charges for services	\$ 14,574,200	\$ 14,199,200	\$ 14,224,032
Total operating revenues	<u>14,574,200</u>	<u>14,199,200</u>	<u>14,224,032</u>
OPERATING EXPENSES			
Administration and maintenance	<u>18,488,910</u>	<u>18,232,410</u>	<u>15,925,804</u>
Total operating expenses	<u>18,488,910</u>	<u>18,232,410</u>	<u>15,925,804</u>
OPERATING INCOME (LOSS)	<u>(3,914,710)</u>	<u>(4,033,210)</u>	<u>(1,701,772)</u>
NON-OPERATING REVENUES (EXPENSES)			
Property taxes	-	-	(5,037)
Loss on the sale of capital assets	-	-	(61)
Interest and fiscal charges	(182,546)	(374,546)	(370,031)
Investment income	16,100	163,100	191,465
Proceeds from issuance of debt	5,000,000	5,000,000	5,075,920
Principal payments	(115,000)	(295,000)	(305,000)
Other income	<u>100,000</u>	<u>100,000</u>	<u>83,369</u>
Total non-operating revenues (expenses)	<u>4,818,554</u>	<u>4,593,554</u>	<u>4,670,625</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ 903,844</u>	<u>\$ 560,344</u>	<u>2,968,853</u>
ADJUSTMENTS TO GAAP BASIS			
Depreciation			(696,008)
Capital assets capitalized			1,577,325
Proceeds from issuance of debt			(5,075,920)
Principal payments			<u>305,000</u>
Total adjustments to GAAP basis			<u>(3,889,603)</u>
CHANGE IN NET POSITION - GAAP BASIS			<u>(920,750)</u>
NET POSITION, JANUARY 1			41,327,962
Change in accounting principle			<u>(249,803)</u>
NET POSITION, JANUARY 1, RESTATED			<u>41,078,159</u>
NET POSITION, DECEMBER 31			<u>\$ 40,157,409</u>

(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, 2018

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Water sales	\$ 11,537,200	\$ 11,249,200	\$ 11,304,051
Sewer fees	2,185,000	2,780,000	2,792,522
Sewer construction charge	682,000	-	-
Water penalties	100,000	100,000	82,724
Water meter fees	20,000	20,000	16,430
Water and sewer taps	20,000	20,000	6,530
Sewer penalties	30,000	30,000	21,775
TOTAL OPERATING REVENUES	\$ 14,574,200	\$ 14,199,200	\$ 14,224,032

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Administration and support			
Personal services	\$ 564,305	\$ 564,305	\$ 562,807
Employee benefits	284,165	284,165	313,404
Other employee costs	43,599	43,599	43,352
Contractual services	301,307	301,307	206,922
Utilities	50,666	50,666	24,088
Insurance	94,942	94,942	99,975
Commodities and supplies	14,830	14,830	10,990
Capital expenditures	2,381	2,381	1,869
	<hr/>	<hr/>	<hr/>
Total administration and support	1,356,195	1,356,195	1,263,407
	<hr/>	<hr/>	<hr/>
Maintenance of buildings			
Personal services	179,657	179,657	181,287
Employee benefits	79,869	79,869	89,329
Contractual services	17,858	17,858	8,577
Utilities	6,494	6,494	5,086
Commodities and supplies	1,623	1,623	1,595
	<hr/>	<hr/>	<hr/>
Total maintenance of buildings	285,501	285,501	285,874
	<hr/>	<hr/>	<hr/>
Maintenance of grounds			
Personal services	70,018	70,018	64,264
Employee benefits	21,573	21,573	23,711
Contractual services	51,627	51,627	50,470
Commodities and supplies	6,401	6,401	5,831
	<hr/>	<hr/>	<hr/>
Total maintenance of grounds	149,619	149,619	144,276
	<hr/>	<hr/>	<hr/>
Water supply maintenance and repair			
Personal services	410,244	410,244	443,441
Employee benefits	166,457	166,457	230,645
Contractual services	129,783	129,783	92,073
Utilities	90,203	90,203	74,103
Commodities and supplies	85,320	85,320	45,338
Distribution system	51,000	51,000	2,400
	<hr/>	<hr/>	<hr/>
Total water supply maintenance and repair	933,007	933,007	888,000

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water distribution maintenance and repair			
Personal services	\$ 314,392	\$ 314,392	\$ 320,118
Employee benefits	99,652	99,652	115,042
Contractual services	284,162	284,162	216,085
Commodities and supplies	80,469	80,469	84,546
Distribution systems	36,414	36,414	-
Capital expenditures	1,060	1,060	1,060
Total water distribution maintenance and repair	816,149	816,149	736,851
Water valve and hydrant maintenance			
Personal services	289,245	289,245	273,943
Employee benefits	94,990	94,990	96,721
Contractual services	48,391	48,391	45,984
Commodities and supplies	108,947	108,947	89,654
Total water valve and hydrant maintenance	541,573	541,573	506,302
Water meter installation, repair, and replacement			
Personal services	194,163	194,163	198,889
Employee benefits	69,790	69,790	77,644
Contractual services	115,624	115,624	113,239
Commodities and supplies	3,368	3,368	3,177
Capital expenditures	30,000	30,000	103,495
Total water meter installation, repair, and replacement	412,945	412,945	496,444
Equipment maintenance			
Contractual services	925,078	925,078	925,078
Total equipment maintenance	925,078	925,078	925,078
Sanitary sewer maintenance and repair			
Personal services	296,124	296,124	252,338
Employee benefits	112,727	112,727	114,623
Contractual services	220,052	220,052	171,035
Utilities	23,929	23,929	13,330
Commodities and supplies	29,011	29,011	19,518
Total sanitary sewer maintenance and repair	681,843	681,843	570,844

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water system improvements			
Capital expenditures	\$ 3,065,000	\$ 3,261,000	\$ 1,674,540
Total water system improvements	3,065,000	3,261,000	1,674,540
Sanitary system improvements			
Capital expenditures	1,650,000	1,797,500	1,044,601
Total sanitary system improvements	1,650,000	1,797,500	1,044,601
Storm sewer improvements			
Capital expenditures	800,000	800,000	679,848
Total storm sewer improvements	800,000	800,000	679,848
Improvements to public buildings			
Capital expenditures	80,000	80,000	67,562
Total improvements to public buildings	80,000	80,000	67,562
Lake Michigan water acquisition			
Contractual services	6,792,000	6,192,000	6,642,177
Total Lake Michigan water acquisition	6,792,000	6,192,000	6,642,177
Total administration and maintenance	18,488,910	18,232,410	15,925,804
TOTAL OPERATING EXPENSES	\$ 18,488,910	\$ 18,232,410	\$ 15,925,804

(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, 2018

	Parking System Revenue	Village Parking System	Total
CURRENT ASSETS			
Cash and investments	\$ 169,785	\$ 408,582	\$ 578,367
Total current assets	169,785	408,582	578,367
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	169,785	640,936	810,721
CURRENT LIABILITIES			
Accounts payable	20,961	1,882	22,843
Accrued payroll	964	1,286	2,250
Unearned revenues	17,840	17,975	35,815
Compensated absences payable	398	529	927
Total OPEB liability	76	529	605
Total current liabilities	40,239	22,201	62,440
LONG-TERM LIABILITIES			
Compensated absences payable	1,591	2,116	3,707
Total OPEB liability	1,882	13,102	14,984
Total long-term liabilities	3,473	15,218	18,691
Total liabilities	43,712	37,419	81,131
DEFERRED INFLOWS OF RESOURCES			
OPEB items	457	3,180	3,637
Total liabilities and deferred inflows of resources	44,169	40,599	84,768
NET POSITION			
Investment in capital assets	-	232,354	232,354
Unrestricted	125,616	367,983	493,599
TOTAL NET POSITION	\$ 125,616	\$ 600,337	\$ 725,953

(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, 2018

	Parking System Revenue	Village Parking System	Total
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 155,249	\$ 176,466	\$ 331,715
Rental fees	-	6,600	6,600
Convenience fees	1,201	3,044	4,245
Total operating revenues	156,450	186,110	342,560
OPERATING EXPENSES			
Administration, maintenance, and improvements	178,443	133,293	311,736
Total operating expenses	178,443	133,293	311,736
OPERATING INCOME (LOSS)	(21,993)	52,817	30,824
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,703	3,649	5,352
Total non-operating revenues (expenses)	1,703	3,649	5,352
CHANGE IN NET POSITION	(20,290)	56,466	36,176
NET POSITION, JANUARY 1	147,461	557,239	704,700
Change in accounting principle	(1,555)	(13,368)	(14,923)
NET POSITION, JANUARY 1, RESTATED	145,906	543,871	689,777
NET POSITION, DECEMBER 31	\$ 125,616	\$ 600,337	\$ 725,953

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2018

	Parking System Revenue	Village Parking System	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 157,729	\$ 182,126	\$ 339,855
Receipts from miscellaneous revenues	1,201	3,044	4,245
Payments to suppliers	(129,827)	(76,609)	(206,436)
Payments to employees	(39,087)	(57,185)	(96,272)
Net cash from operating activities	(9,984)	51,376	41,392
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	1,703	3,649	5,352
Net cash from investing activities	1,703	3,649	5,352
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,281)	55,025	46,744
CASH AND CASH EQUIVALENTS, JANUARY 1	178,066	353,557	531,623
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 169,785	\$ 408,582	\$ 578,367

(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, 2018

	Parking System Revenue	Village Parking System	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (21,993)	\$ 52,817	\$ 30,824
Adjustments to reconcile operating income to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	10,089	(12)	10,077
Accrued payroll and compensated absences	(611)	(842)	(1,453)
OPEB items	51	353	404
Unearned revenues	2,480	(940)	1,540
NET CASH FROM OPERATING ACTIVITIES	\$ (9,984)	\$ 51,376	\$ 41,392

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 156,000	\$ 156,000	\$ 155,249
Convenience fees	1,000	1,000	1,201
Total operating revenues	<u>157,000</u>	<u>157,000</u>	<u>156,450</u>
OPERATING EXPENSES			
Administration, maintenance, and improvements	<u>173,209</u>	<u>203,209</u>	<u>178,443</u>
Total operating expenses	<u>173,209</u>	<u>203,209</u>	<u>178,443</u>
OPERATING INCOME (LOSS)	<u>(16,209)</u>	<u>(46,209)</u>	<u>(21,993)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	<u>500</u>	<u>500</u>	<u>1,703</u>
Total non-operating revenues (expenses)	<u>500</u>	<u>500</u>	<u>1,703</u>
CHANGE IN NET POSITION	<u>\$ (15,709)</u>	<u>\$ (45,709)</u>	<u>(20,290)</u>
NET POSITION, JANUARY 1			147,461
Change in accounting principle			<u>(1,555)</u>
NET POSITION, JANUARY 1, RESTATED			<u>145,906</u>
NET POSITION, DECEMBER 31			<u><u>\$ 125,616</u></u>

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 28,275	\$ 28,275	\$ 28,703
Employee benefits	13,097	13,097	12,763
Contractual services	108,898	108,898	94,767
Utilities	11,387	11,387	5,976
Insurance	967	967	248
Commodities and supplies	10,585	10,585	6,865
Capital expenditures	-	30,000	29,121
TOTAL OPERATING EXPENSES	\$ 173,209	\$ 203,209	\$ 178,443

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 187,000	\$ 187,000	\$ 176,466
Rental fees	6,600	6,600	6,600
Convenience fees	3,000	3,000	3,044
Total operating revenues	196,600	196,600	186,110
OPERATING EXPENSES			
Administration, maintenance, and improvements	176,167	176,167	133,293
Total operating expenses	176,167	176,167	133,293
OPERATING INCOME	20,433	20,433	52,817
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	3,649
Total non-operating revenues (expenses)	1,000	1,000	3,649
CHANGE IN NET POSITION	\$ 21,433	\$ 21,433	56,466
NET POSITION, JANUARY 1			557,239
Change in accounting principle			(13,368)
NET POSITION, JANUARY 1, RESTATED			543,871
NET POSITION, DECEMBER 31			\$ 600,337

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 38,677	\$ 38,677	\$ 39,187
Employee benefits	17,705	17,705	17,508
Contractual services	61,073	61,073	40,774
Insurance	654	654	242
Commodities and supplies	552	552	552
Capital expenditures	57,506	57,506	35,030
TOTAL OPERATING EXPENSES	\$ 176,167	\$ 176,167	\$ 133,293

(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, 2018

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CURRENT ASSETS					
Cash and investments	\$ 747,044	\$ 1,556,735	\$ 8,977,216	\$ 488,392	\$ 11,769,387
Receivables					
Accrued interest	-	-	4,362	-	4,362
Other	-	-	9,433	1,914	11,347
Due from other governments	-	-	2,782	9,365	12,147
Prepaid items	-	122,300	-	12	122,312
Inventories	-	-	-	324,259	324,259
	<hr/>				
Total current assets	747,044	1,679,035	8,993,793	823,942	12,243,814
NONCURRENT ASSETS					
Deposits - insurance	-	2,663,925	-	-	2,663,925
CAPITAL ASSETS					
Capital assets not being depreciated	-	-	2,109,186	-	2,109,186
Capital assets being depreciated, cost	133,797	-	13,360,982	92,062	13,586,841
Accumulated depreciation	(99,525)	-	(8,174,355)	(92,062)	(8,365,942)
	<hr/>				
Net capital assets	34,272	-	7,295,813	-	7,330,085
	<hr/>				
Total assets	781,316	4,342,960	16,289,606	823,942	22,237,824
CURRENT LIABILITIES					
Accounts payable	16,288	51,997	13,877	36,356	118,518
Accrued payroll	-	-	-	30,558	30,558
Claims payable	-	556,605	-	-	556,605
Other payables	-	17,312	-	-	17,312
Compensated absences payable	-	-	-	20,004	20,004
Total OPEB liability	-	-	-	8,190	8,190
	<hr/>				
Total current liabilities	16,288	625,914	13,877	95,108	751,187
LONG-TERM LIABILITIES					
Compensated absences payable	-	-	-	80,018	80,018
Claims payable	-	38,914	-	-	38,914
Total OPEB liability	-	-	-	202,860	202,860
	<hr/>				
Total long-term liabilities	-	38,914	-	282,878	321,792
	<hr/>				
Total liabilities	16,288	664,828	13,877	377,986	1,072,979
DEFERRED INFLOWS OF RESOURCES					
OPEB items	-	-	-	49,233	49,233
	<hr/>				
Total liabilities and deferred inflows of resources	16,288	664,828	13,877	427,219	1,122,212
NET POSITION					
Investment in capital assets	34,272	-	7,295,813	-	7,330,085
Unrestricted	730,756	3,678,132	8,979,916	396,723	13,785,527
	<hr/>				
TOTAL NET POSITION	\$ 765,028	\$ 3,678,132	\$ 16,275,729	\$ 396,723	\$ 21,115,612

(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, 2018

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
OPERATING REVENUES					
Charges for services	\$ 205,097	\$ 7,094,913	\$ 1,622,087	\$ 2,040,827	\$ 10,962,924
Contributions	-	1,708,941	-	-	1,708,941
Miscellaneous	-	19,337	-	-	19,337
Total operating revenues	205,097	8,823,191	1,622,087	2,040,827	12,691,202
OPERATING EXPENSES					
Administration and maintenance	146,625	411,307	5,598	2,240,779	2,804,309
Insurance and claims	-	7,740,158	-	-	7,740,158
Depreciation	13,709	-	806,515	-	820,224
Total operating expenses	160,334	8,151,465	812,113	2,240,779	11,364,691
OPERATING INCOME (LOSS)	44,763	671,726	809,974	(199,952)	1,326,511
NON-OPERATING REVENUES (EXPENSES)					
Investment income	6,768	20,944	112,771	6,568	147,051
Gain (loss) on disposal of capital assets	-	-	106,814	1,537	108,351
Total non-operating revenues (expenses)	6,768	20,944	219,585	8,105	255,402
CHANGES IN NET POSITION	51,531	692,670	1,029,559	(191,847)	1,581,913
NET POSITION, JANUARY 1	713,497	2,985,462	15,246,170	791,696	19,736,825
Change in accounting principle	-	-	-	(203,126)	(203,126)
NET POSITION, JANUARY 1, RESTATED	713,497	2,985,462	15,246,170	588,570	19,533,699
NET POSITION, DECEMBER 31	\$ 765,028	\$ 3,678,132	\$ 16,275,729	\$ 396,723	\$ 21,115,612

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2018

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ -	\$ 3,003,942	\$ -	\$ -	\$ 3,003,942
Receipts from interfund services	205,097	5,799,912	1,611,300	2,040,827	9,657,136
Miscellaneous receipts	-	19,337	910	-	20,247
Payments to suppliers	(136,074)	(9,500,937)	(12,346)	(768,178)	(10,417,535)
Payments to employees	-	-	-	(1,562,051)	(1,562,051)
Net cash from operating activities	69,023	(677,746)	1,599,864	(289,402)	701,739
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	-	-	106,814	1,537	108,351
Acquisition of capital assets	-	-	(1,401,969)	-	(1,401,969)
Net cash from capital and related financing activities	-	-	(1,295,155)	1,537	(1,293,618)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	6,768	20,944	116,569	6,568	150,849
Net cash from investing activities	6,768	20,944	116,569	6,568	150,849
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	75,791	(656,802)	421,278	(281,297)	(441,030)
CASH AND CASH EQUIVALENTS, JANUARY 1	671,253	2,213,537	8,555,938	769,689	12,210,417
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 747,044	\$ 1,556,735	\$ 8,977,216	\$ 488,392	\$ 11,769,387

(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, 2018

	<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)	\$ 44,763	\$ 671,726	\$ 809,974	\$ (199,952)	\$ 1,326,511
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	13,709	-	806,515	-	820,224
Changes in assets and liabilities					
Receivables	-	22,615	(9,877)	(1,577)	11,161
Inventories	-	-	-	(16,026)	(16,026)
Prepaid items	-	43,386	-	(1)	43,385
Deposits - insurance	-	(473,851)	-	-	(473,851)
Accounts and others payable	10,551	2,529	(6,748)	(14,834)	(8,502)
Accrued payroll and compensated absences	-	-	-	(62,475)	(62,475)
OPEB items	-	-	-	5,463	5,463
Claims payable	-	(944,151)	-	-	(944,151)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 69,023</u>	<u>\$ (677,746)</u>	<u>\$ 1,599,864</u>	<u>\$ (289,402)</u>	<u>\$ 701,739</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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Refuse Disposal Fund	\$ 1,000	\$ 1,000	\$ 1,000
Water and Sewer Fund	18,000	18,000	18,000
General Fund	186,097	186,097	186,097
Total operating revenues	<u>205,097</u>	<u>205,097</u>	<u>205,097</u>
OPERATING EXPENSES			
Administration			
Capital outlay	295,515	295,515	146,625
Depreciation	-	-	13,709
Total operating expenses	<u>295,515</u>	<u>295,515</u>	<u>160,334</u>
OPERATING INCOME (LOSS)	(90,418)	(90,418)	44,763
NON-OPERATING REVENUES (EXPENSES)			
Investment income	<u>1,500</u>	<u>1,500</u>	<u>6,768</u>
CHANGE IN NET POSITION	<u>\$ (88,918)</u>	<u>\$ (88,918)</u>	<u>51,531</u>
NET POSITION, JANUARY 1			<u>713,497</u>
NET POSITION, DECEMBER 31			<u><u>\$ 765,028</u></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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Capital outlay	\$ 295,515	\$ 295,515	\$ 146,625
Total administration	295,515	295,515	146,625
Depreciation	-	-	13,709
TOTAL OPERATING EXPENSES	<u>\$ 295,515</u>	<u>\$ 295,515</u>	<u>\$ 160,334</u>

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 7,164,350	\$ 7,164,350	\$ 7,094,913
Contributions	1,582,028	1,582,028	1,708,941
Miscellaneous	1,500	1,500	19,337
Total operating revenues	<u>8,747,878</u>	<u>8,747,878</u>	<u>8,823,191</u>
OPERATING EXPENSES			
Administration	437,512	437,512	411,307
Insurance and claims	8,175,826	8,610,501	7,740,158
Total operating expenses	<u>8,613,338</u>	<u>9,048,013</u>	<u>8,151,465</u>
OPERATING INCOME (LOSS)	134,540	(300,135)	671,726
NON-OPERATING REVENUES (EXPENSES)			
Investment income	13,000	13,000	20,944
CHANGE IN NET POSITION	<u>\$ 147,540</u>	<u>\$ (287,135)</u>	692,670
NET POSITION, JANUARY 1			<u>2,985,462</u>
NET POSITION, DECEMBER 31			<u><u>\$ 3,678,132</u></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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
General Fund	\$ 6,043,417	\$ 6,043,417	\$ 5,876,947
Refuse Disposal Fund	33,136	33,136	12,530
Water and Sewer Fund	151,217	151,217	213,588
Parking System Revenue Fund	967	967	527
Village Parking Fund	654	654	514
Vehicle Maintenance Fund	23,959	23,959	21,126
Library	911,000	911,000	969,681
Total charges for services	<u>7,164,350</u>	<u>7,164,350</u>	<u>7,094,913</u>
Contributions			
Employee			
Health insurance	655,500	655,500	630,677
Dental insurance	115,000	115,000	128,642
Additional life insurance	26,528	26,528	24,809
Retiree			
Health insurance	758,000	758,000	892,619
Dental insurance	27,000	27,000	32,194
Total contributions	<u>1,582,028</u>	<u>1,582,028</u>	<u>1,708,941</u>
Miscellaneous			
Other reimbursements	1,000	1,000	19,337
Miscellaneous income	500	500	-
Total miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>19,337</u>
TOTAL OPERATING REVENUES	<u><u>\$ 8,747,878</u></u>	<u><u>\$ 8,747,878</u></u>	<u><u>\$ 8,823,191</u></u>

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Casualty and property program			
Claims administration	\$ 10,000	\$ 10,000	\$ 5,751
Other equipment	-	-	1,113
Other contractual services	17,000	17,000	11,198
Total casualty and property program	27,000	27,000	18,062
Medical program			
Claims administration	337,512	337,512	361,712
Workers' compensation			
Claims administration	73,000	73,000	31,533
Total administration	437,512	437,512	411,307
INSURANCE AND CLAIMS			
Casualty and property program			
Property insurance	97,000	-	-
Liability insurance	-	639,342	639,342
HELP excess liability insurance	130,000	43,286	43,286
Workers' compensation insurance	125,000	2,047	2,047
Faithful performance insurance	4,000	-	-
Surety bonds	500	500	100
Other insurance	3,000	3,000	225
Property claims	1,000	1,000	21,272
Liability claims	100,000	206,000	219,851
Workers' compensation claims	500,000	500,000	(209,383)
Auto claims	50,000	50,000	22,611
Village property claims	10,000	10,000	-
Unemployment compensation claims	10,000	10,000	1,739
Tree hazard study	10,000	10,000	5,000
Other claims	10,000	10,000	-
Total casualty and property program	1,050,500	1,485,175	746,090
Medical program			
Medical expense - HMO plan	1,283,183	1,283,183	1,246,650
Medical expense - indemnity plan	5,516,683	5,516,683	5,433,123
Medical expense - dental	256,282	256,282	258,070
Health and wellness supplies	20,000	20,000	8,668
Life insurance	49,178	49,178	47,557
Total medical program	7,125,326	7,125,326	6,994,068
Total insurance and claims	8,175,826	8,610,501	7,740,158
TOTAL OPERATING EXPENSES	\$ 8,613,338	\$ 9,048,013	\$ 8,151,465

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 1,619,300	\$ 1,619,300	\$ 1,622,087
Total operating revenues	1,619,300	1,619,300	1,622,087
OPERATING EXPENSES			
Administration	-	-	5,598
Depreciation	-	-	806,515
Total operating expenses	-	-	812,113
OPERATING INCOME	1,619,300	1,619,300	809,974
NON-OPERATING REVENUES (EXPENSES)			
Investment income	50,000	121,000	112,771
Gain on sale of capital assets	65,000	134,000	106,814
Total non-operating revenues (expenses)	115,000	255,000	219,585
CHANGE IN NET POSITION	<u>\$ 1,734,300</u>	<u>\$ 1,874,300</u>	\$ 1,029,559
NET POSITION, JANUARY 1			<u>15,246,170</u>
NET POSITION, DECEMBER 31			<u>\$ 16,275,729</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, 2018

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Manager's office	\$ 3,300	\$ 3,300	\$ 3,300
Community development - planning	1,500	1,500	1,500
Community development - building	8,900	8,900	8,900
Community development - housing	7,800	7,800	7,800
Community development - health	1,500	1,500	1,500
Police department	136,800	136,800	136,800
Fire department	578,200	578,200	578,200
Public works department	423,900	423,900	423,900
Engineering division	12,400	12,400	12,400
Human services	700	700	700
Water and Sewer Fund	436,300	436,300	436,300
Other fee	8,000	8,000	10,787
TOTAL OPERATING REVENUE	\$ 1,619,300	\$ 1,619,300	\$ 1,622,087

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING EXPENSES			
Administration			
Capital outlay - police vehicles	\$ 12,000	\$ 101,002	\$ 32,072
Capital outlay - CDBG vehicles	36,000	36,000	20,265
Capital outlay - fire vehicles	1,569,000	1,569,000	731,514
Capital outlay - public works	769,000	1,252,444	650,715
Less capital assets capitalized	(2,386,000)	(2,958,446)	(1,428,968)
Total administration	-	-	5,598
Depreciation	-	-	806,515
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 812,113

(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, 2018

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 2,040,827	\$ 2,040,827	\$ 2,040,827
Total operating revenues	2,040,827	2,040,827	2,040,827
OPERATING EXPENSES			
Administration and maintenance	2,056,210	2,299,210	2,240,779
Total operating expenses	2,056,210	2,299,210	2,240,779
OPERATING INCOME (LOSS)	(15,383)	(258,383)	(199,952)
NON-OPERATING REVENUES (EXPENSES)			
Proceeds from sale of capital assets	-	-	1,537
Investment income	3,000	3,000	6,568
Total non-operating revenues (expenses)	3,000	3,000	8,105
CHANGE IN NET POSITION	\$ (12,383)	\$ (255,383)	(191,847)
NET POSITION, JANUARY 1			791,696
Change in accounting principle			(203,126)
NET POSITION, JANUARY 1, RESTATED			588,570
NET POSITION, DECEMBER 31			\$ 396,723

(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, 2018

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Manager's office	\$ 3,061	\$ 3,061	\$ 3,061
Television services division	3,265	3,265	3,265
Community development - planning	3,061	3,061	3,061
Community development - building	4,286	4,286	4,286
Community development - housing	21,429	21,429	21,429
Community development - health	3,061	3,061	3,061
Police department	519,799	519,799	519,799
Fire department	322,655	322,655	322,655
Public works department	635,106	635,106	635,106
Engineering division	33,265	33,265	33,265
Human service charges	3,061	3,061	3,061
Water and Sewer Fund	488,778	488,778	488,778
TOTAL OPERATING REVENUES	\$ 2,040,827	\$ 2,040,827	\$ 2,040,827

(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, 2018

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Vehicle division administration			
Personal services	\$ 118,142	\$ 118,142	\$ 120,002
Employee benefits	66,471	66,471	11,580
Other employee costs	4,085	4,085	3,984
Contractual services	10,997	10,997	28,170
Utilities	3,325	3,325	5,071
Commodities and supplies	2,036	2,036	1,834
Office equipment	602	602	298
	<hr/>		
Total vehicle division administration	205,658	205,658	170,939
	<hr/>		
Vehicle maintenance program			
Personal services	890,290	937,290	929,505
Employee benefits	338,852	450,852	445,431
Contractual services	97,803	97,803	95,166
Commodities and supplies	519,743	603,743	596,234
Other equipment	3,864	3,864	3,504
	<hr/>		
Total vehicle maintenance program	1,850,552	2,093,552	2,069,840
	<hr/>		
Total administration and maintenance	2,056,210	2,299,210	2,240,779
	<hr/>		
TOTAL OPERATING EXPENSES	\$ 2,056,210	\$ 2,299,210	\$ 2,240,779
	<hr/>		

(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: the 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: the 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, 2018

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,018,476	\$ 1,332,600	\$ 2,351,076
Investments			
State and local obligations	2,257,990	738,000	2,995,990
U.S. Government and U.S. agency obligations	10,972,139	14,163,705	25,135,844
Corporate bonds and obligations	9,374,108	9,167,785	18,541,893
Real estate	-	6,085,331	6,085,331
Mutual funds	42,656,272	30,804,914	73,461,186
	<hr/>		
Total cash and investments	66,278,985	62,292,335	128,571,320
Accrued interest receivable	135,485	138,854	274,339
Prepays	1,162	1,670	2,832
	<hr/>		
Total assets	66,415,632	62,432,859	128,848,491
<hr/>			
LIABILITIES			
Accounts payable	39,843	33,202	73,045
Due to other funds	1,681	1,127	2,808
	<hr/>		
Total liabilities	41,524	34,329	75,853
<hr/>			
NET POSITION RESTRICTED FOR PENSIONS	\$ 66,374,108	\$ 62,398,530	\$ 128,772,638

(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, 2018

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,608,602	\$ 3,332,773	\$ 6,941,375
Plan members	838,873	688,000	1,526,873
Other	20	-	20
Total contributions	<u>4,447,495</u>	<u>4,020,773</u>	<u>8,468,268</u>
Investment income			
Interest earned	762,164	697,640	1,459,804
Net change in fair value	(4,332,402)	(2,513,393)	(6,845,795)
Less investment expenses	<u>(126,918)</u>	<u>(98,261)</u>	<u>(225,179)</u>
Net investment income	<u>(3,697,156)</u>	<u>(1,914,014)</u>	<u>(5,611,170)</u>
Total additions	<u>750,339</u>	<u>2,106,759</u>	<u>2,857,098</u>
DEDUCTIONS			
Administration	37,596	63,660	101,256
Benefits and refunds	<u>5,407,697</u>	<u>5,909,909</u>	<u>11,317,606</u>
Total deductions	<u>5,445,293</u>	<u>5,973,569</u>	<u>11,418,862</u>
NET INCREASE (DECREASE)	(4,694,954)	(3,866,810)	(8,561,764)
NET POSITION RESTRICTED FOR PENSIONS			
January 1	<u>71,069,062</u>	<u>66,265,340</u>	<u>137,334,402</u>
December 31	<u>\$ 66,374,108</u>	<u>\$ 62,398,530</u>	<u>\$ 128,772,638</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, 2018

	Budget		
	Original	Final	Actual
ADDITIONS			
Contributions			
Employer	\$ 3,635,000	\$ 3,611,000	\$ 3,608,602
Plan members	849,000	849,000	838,873
Other	500	500	20
Total contributions	4,484,500	4,460,500	4,447,495
Investment income			
Interest earned	842,000	789,000	762,164
Net change in fair value	4,419,000	(4,624,000)	(4,332,402)
Less investment expenses	(124,000)	(124,000)	(126,918)
Net investment income	5,137,000	(3,959,000)	(3,697,156)
Total additions	9,621,500	501,500	750,339
DEDUCTIONS			
Administration	66,600	66,600	37,596
Benefits and refunds	5,033,555	5,408,555	5,407,697
Total deductions	5,100,155	5,475,155	5,445,293
NET INCREASE (DECREASE)	\$ 4,521,345	\$ (4,973,655)	(4,694,954)
NET POSITION RESTRICTED FOR PENSIONS			
January 1			71,069,062
December 31			\$ 66,374,108

(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, 2018

	Budget		Actual
	Original	Final	
ADDITIONS			
Contributions			
Employer	\$ 3,358,800	\$ 3,334,800	\$ 3,332,773
Plan members	680,000	680,000	688,000
Other	500	500	-
Total contributions	<u>4,039,300</u>	<u>4,015,300</u>	<u>4,020,773</u>
Investment income			
Interest earned	732,000	732,000	697,640
Net change in fair value	4,346,000	(2,748,000)	(2,513,393)
Less investment expenses	(88,000)	(99,000)	(98,261)
Net investment income	<u>4,990,000</u>	<u>(2,115,000)</u>	<u>(1,914,014)</u>
Total additions	<u>9,029,300</u>	<u>1,900,300</u>	<u>2,106,759</u>
DEDUCTIONS			
Administration	70,600	70,600	63,660
Benefits and refunds	5,601,610	5,911,610	5,909,909
Total deductions	<u>5,672,210</u>	<u>5,982,210</u>	<u>5,973,569</u>
NET INCREASE (DECREASE)	<u>\$ 3,357,090</u>	<u>\$ (4,081,910)</u>	<u>(3,866,810)</u>
NET POSITION RESTRICTED FOR PENSIONS			
January 1			<u>66,265,340</u>
December 31			<u>\$ 62,398,530</u>

(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, 2018

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and investments	\$ 1,126,624	\$ 2,214,886	\$ 2,225,773	\$ 1,115,737
Due from other funds	-	100,715	100,715	-
Deposits	7,140	1,471	-	8,611
Other receivables	-	11,782	11,782	-
TOTAL ASSETS	\$ 1,133,764	\$ 2,328,854	\$ 2,338,270	\$ 1,124,348
LIABILITIES				
Deposits payable	\$ 1,133,764	\$ 1,712,383	\$ 1,721,896	\$ 1,124,251
Due to other funds	-	121,264	121,212	52
Other liabilities	-	673,309	673,264	45
TOTAL LIABILITIES	\$ 1,133,764	\$ 2,506,956	\$ 2,516,372	\$ 1,124,348
1. Escrow Deposit Fund				
ASSETS				
Cash and investments	\$ 1,099,451	\$ 1,836,977	\$ 1,839,246	\$ 1,097,182
Due from other funds	-	100,715	100,715	-
Other receivables	-	11,782	11,782	-
TOTAL ASSETS	\$ 1,099,451	\$ 1,949,474	\$ 1,951,743	\$ 1,097,182
LIABILITIES				
Deposits payable	\$ 1,099,451	\$ 1,334,240	\$ 1,336,606	\$ 1,097,085
Due to other funds	-	114,361	114,309	52
Other liabilities	-	673,309	673,264	45
TOTAL LIABILITIES	\$ 1,099,451	\$ 2,121,910	\$ 2,124,179	\$ 1,097,182

(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, 2018

	Balances			Balances
	January 1	Additions	Deductions	December 31
2. Flexcomp Escrow Fund				
ASSETS				
Cash and investments	\$ 27,173	\$ 377,909	\$ 386,527	\$ 18,555
Deposits	7,140	1,471	-	8,611
TOTAL ASSETS	\$ 34,313	\$ 379,380	\$ 386,527	\$ 27,166
LIABILITIES				
Deposits payable	\$ 34,313	\$ 378,143	\$ 385,290	\$ 27,166
Due to other funds	-	6,903	6,903	-
TOTAL LIABILITIES	\$ 34,313	\$ 385,046	\$ 392,193	\$ 27,166

(See independent auditor's report.)

OTHER SUPPLEMENTAL DATA

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2018

CSFA Number	Program Name	State	Federal	Other	Total
	Motor Fuel Tax Program	\$ 1,742,900	\$ -	\$ -	\$ 1,742,900
	Community Development Block Grant	-	302,577	33,700	336,277
	Body Armor Grant	-	5,339	-	5,339
	Illinois American Water - Hydrank Makers	-	-	1,000	1,000
	IRMA Lexipol Grant	-	-	8,000	8,000
	NACCHO Grant	-	2,115	-	2,115
	All other costs not allocated	-	-	94,285,046	94,285,046
	TOTALS	<u>\$ 1,742,900</u>	<u>\$ 310,031</u>	<u>\$ 94,327,746</u>	<u>\$ 96,380,677</u>

(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 total OPEB liabilities.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF GENERAL LONG-TERM DEBT
LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

December 31, 2018

	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	General Obligation Bonds of 2018A	General Obligation Bonds of 2018B	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	\$ 1,530,000	\$ 1,745,000	\$ 9,800,000	\$ 4,675,000	\$ 5,960,000	\$ 8,860,000	\$ 4,815,000	\$ 7,060,000	\$ 38,440,000	\$ 57,500
TOTAL	\$ 1,530,000	\$ 1,745,000	\$ 9,800,000	\$ 4,675,000	\$ 5,960,000	\$ 8,860,000	\$ 4,815,000	\$ 7,060,000	\$ 38,440,000	\$ 57,500
GENERAL LONG-TERM DEBT PAYABLE										
General obligation bonds payable	\$ 1,530,000	\$ 1,745,000	\$ 9,800,000	\$ 4,675,000	\$ 5,960,000	\$ 8,860,000	\$ 4,815,000	\$ 7,060,000	\$ 38,440,000	\$ -
IEPA flood loans	-	-	-	-	-	-	-	-	-	57,500
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	-	-	-	-	-	-	-	-	-	-
Total OPEB liability	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 1,530,000	\$ 1,745,000	\$ 9,800,000	\$ 4,675,000	\$ 5,960,000	\$ 8,860,000	\$ 4,815,000	\$ 7,060,000	\$ 38,440,000	\$ 57,500

(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, 2018

	Installment Notes	Business District Limited Tax Note	Compensated Absences	Net Pension Liability - IMRF	Net Pension Liability - Police	Net Pension Liability - Firefighters	Unamortized Bond Premiums	Total OPEB Liability	Total
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT									
Amount to be provided for retirement of general long-term debt	\$ 590,000	\$ 33,192,363	\$ 3,557,150	\$ 555,045	\$ 53,267,003	\$ 44,305,742	\$ 2,852,998	\$ 10,586,832	\$ 231,849,633
TOTAL	\$ 590,000	\$ 33,192,363	\$ 3,557,150	\$ 555,045	\$ 53,267,003	\$ 44,305,742	\$ 2,852,998	\$ 10,586,832	\$ 231,849,633
GENERAL LONG-TERM DEBT PAYABLE									
General obligation bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,885,000
IEPA flood loans	-	-	-	-	-	-	-	-	57,500
Installment notes payable	590,000	-	-	-	-	-	-	-	590,000
Business district limited tax note payable	-	33,192,363	-	-	-	-	-	-	33,192,363
Compensated absences payable	-	-	3,557,150	-	-	-	-	-	3,557,150
Net pension liability - IMRF	-	-	-	555,045	-	-	-	-	555,045
Net pension liability - Police Pension	-	-	-	-	53,267,003	-	-	-	53,267,003
Net pension liability - Firefighters' Pension	-	-	-	-	-	44,305,742	-	-	44,305,742
Unamortized bond premiums	-	-	-	-	-	-	2,852,998	-	2,852,998
Total OPEB liability	-	-	-	-	-	-	-	10,586,832	10,586,832
TOTAL	\$ 590,000	\$ 33,192,363	\$ 3,557,150	\$ 555,045	\$ 53,267,003	\$ 44,305,742	\$ 2,852,998	\$ 10,586,832	\$ 231,849,633

(See independent auditor's report.)

LONG-TERM DEBT REQUIREMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2011B

December 31, 2018

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
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>\$ 1,530,000</u>	<u>\$ 58,086</u>	<u>\$ 1,588,086</u>		<u>\$ 29,043</u>		<u>\$ 29,043</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2012

December 31, 2018

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
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>\$ 189,724</u>	<u>\$ 1,934,724</u>			<u>\$ 94,862</u>	<u>\$ 94,862</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013

December 31, 2018

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
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>\$ 3,501,145</u>	<u>\$ 13,301,145</u>	<u>\$ 1,750,570</u>		<u>\$ 1,750,575</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2014

December 31, 2018

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
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>\$ 4,675,000</u>	<u>\$ 474,000</u>	<u>\$ 5,149,000</u>		<u>\$ 237,000</u>		<u>\$ 237,000</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2016

December 31, 2018

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
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>\$ 5,960,000</u>	<u>\$ 345,850</u>	<u>\$ 6,305,850</u>		<u>\$ 172,925</u>		<u>\$ 172,925</u>

(See independent auditor's report.)

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

December 31, 2018

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
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>\$ 8,860,000</u>	<u>\$ 2,133,900</u>	<u>\$ 10,993,900</u>		<u>\$ 1,066,950</u>		<u>\$ 1,066,950</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2018

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	Zions Bancorporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 9,615,000</u>	<u>\$ 3,836,482</u>	<u>\$ 13,451,482</u>		<u>\$ 1,918,236</u>		<u>\$ 1,918,236</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2018A**

December 31, 2018

Date of Issue	May 1, 2018
Date of Maturity	December 1, 2037
Authorized Issue	\$7,060,000
Denomination of Bonds	\$5,000
Interest Rates	3.25% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zions Bankcorporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2018	\$ -	\$ 273,368	\$ 273,368	2019	\$ 136,684	2019	\$ 136,684
2019	-	273,368	273,368	2020	136,684	2020	136,684
2020	180,000	273,368	453,368	2021	136,684	2021	136,684
2021	205,000	264,368	469,368	2022	132,184	2022	132,184
2022	225,000	254,120	479,120	2023	127,060	2023	127,060
2023	250,000	242,870	492,870	2024	121,435	2024	121,435
2024	280,000	230,370	510,370	2025	115,185	2025	115,185
2025	310,000	216,370	526,370	2026	108,185	2026	108,185
2026	340,000	200,870	540,870	2027	100,435	2027	100,435
2027	370,000	187,270	557,270	2028	93,635	2028	93,635
2028	400,000	172,470	572,470	2029	86,235	2029	86,235
2029	435,000	156,470	591,470	2030	78,235	2030	78,235
2030	470,000	139,070	609,070	2031	69,535	2031	69,535
2031	505,000	123,794	628,794	2032	61,897	2032	61,897
2032	540,000	107,380	647,380	2033	53,690	2033	53,690
2033	575,000	88,480	663,480	2034	44,240	2034	44,240
2034	615,000	68,354	683,354	2035	34,177	2035	34,177
2035	660,000	47,600	707,600	2036	23,800	2036	23,800
2036	700,000	24,500	724,500	2037	12,250	2037	12,250
	<u>\$ 7,060,000</u>	<u>\$ 3,344,460</u>	<u>\$ 10,404,460</u>		<u>\$ 1,672,230</u>		<u>\$ 1,672,230</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2018B**

December 31, 2018

Date of Issue	October 16, 2018
Date of Maturity	December 1, 2043
Authorized Issue	\$38,440,000
Denomination of Bonds	\$5,000
Interest Rates	3.625% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Zions Bankcorporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Total	June 1	Amount	December 1	Amount
2018	\$ 400,000	\$ 1,833,188	\$ 2,233,188	2019	\$ 916,594	2019	\$ 916,594
2019	455,000	1,609,500	2,064,500	2020	804,750	2020	804,750
2020	360,000	1,586,750	1,946,750	2021	793,375	2021	793,375
2021	-	1,568,750	1,568,750	2022	784,375	2022	784,375
2022	-	1,568,750	1,568,750	2023	784,375	2023	784,375
2023	770,000	1,568,750	2,338,750	2024	784,375	2024	784,375
2024	155,000	1,530,250	1,685,250	2025	765,125	2025	765,125
2025	160,000	1,522,500	1,682,500	2026	761,250	2026	761,250
2026	165,000	1,514,500	1,679,500	2027	757,250	2027	757,250
2027	175,000	1,506,250	1,681,250	2028	753,125	2028	753,125
2028	1,645,000	1,497,500	3,142,500	2029	748,750	2029	748,750
2029	1,820,000	1,415,250	3,235,250	2030	707,625	2030	707,625
2030	1,910,000	1,324,250	3,234,250	2031	662,125	2031	662,125
2031	2,005,000	1,228,750	3,233,750	2032	614,375	2032	614,375
2032	2,105,000	1,128,500	3,233,500	2033	564,250	2033	564,250
2033	2,210,000	1,023,250	3,233,250	2034	511,625	2034	511,625
2034	2,295,000	943,138	3,238,138	2035	471,569	2035	471,569
2035	2,380,000	857,076	3,237,076	2036	428,538	2036	428,538
2036	2,470,000	767,826	3,237,826	2037	383,913	2037	383,913
2037	2,560,000	675,200	3,235,200	2038	337,600	2038	337,600
2038	2,660,000	576,000	3,236,000	2039	288,000	2039	288,000
2039	2,765,000	469,600	3,234,600	2040	234,800	2040	234,800
2040	2,875,000	359,000	3,234,000	2041	179,500	2041	179,500
2041	2,990,000	244,000	3,234,000	2042	122,000	2042	122,000
2042	3,110,000	124,400	3,234,400	2043	62,200	2043	62,200
	<u>\$ 38,440,000</u>	<u>\$ 28,442,928</u>	<u>\$ 66,882,928</u>		<u>\$ 14,221,464</u>		<u>\$ 14,221,464</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, 2018

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
2019	39	\$ 57,500	\$ 754	\$ 58,254
		\$ 57,500	\$ 754	\$ 58,254

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
INSTALLMENT NOTE PAYABLE OF 2012

December 31, 2018

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	
2019	13-14	\$ 590,000	\$ 5,369	\$ 595,369	2019	\$ 2,684	2019	\$ 2,685
		<u>\$ 590,000</u>	<u>\$ 5,369</u>	<u>\$ 595,369</u>		<u>\$ 2,684</u>		<u>\$ 2,685</u>

(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.	185-194
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	195-203
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.	204-207
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.	208-209
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.	210-214

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	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 27,741,453	\$ 30,020,260	\$ 53,524,378	\$ 48,521,357
Restricted	4,497,173	4,891,298	2,828,903	3,547,328
Unrestricted	20,277,880	18,296,001	20,019,184	24,952,139
TOTAL GOVERNMENTAL ACTIVITIES	\$ 52,516,506	\$ 53,207,559	\$ 76,372,465	\$ 77,020,824
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 22,412,134	\$ 23,044,064	\$ 26,892,474	\$ 26,566,375
Unrestricted	5,996,007	5,927,430	5,167,986	6,820,901
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 28,408,141	\$ 28,971,494	\$ 32,060,460	\$ 33,387,276
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 50,153,587	\$ 53,064,324	\$ 80,416,852	\$ 75,087,732
Restricted	4,497,173	4,891,298	2,828,903	3,547,328
Unrestricted	26,273,887	24,223,431	25,187,170	31,773,040
TOTAL PRIMARY GOVERNMENT	\$ 80,924,647	\$ 82,179,053	\$ 108,432,925	\$ 110,408,100

*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.

***The Village implemented GASB Statement No. 75 for fiscal year 2018.

Data Source

Audited Financial Statements

2013	2014*	2015**	2016	2017	2018***
\$ 48,152,760	\$ 46,326,047	\$ 43,755,661	\$ 33,224,875	\$ 34,171,129	\$ 30,192,091
3,045,922	4,186,505	5,319,794	4,557,424	4,104,560	7,065,413
24,153,907	(10,441,020)	(99,563,419)	(91,778,462)	(95,150,426)	(107,779,949)
\$ 75,352,589	\$ 40,071,532	\$ (50,487,964)	\$ (53,996,163)	\$ (56,874,737)	\$ (70,522,445)
\$ 26,352,289	\$ 26,854,967	\$ 36,336,899	\$ 36,588,628	\$ 35,765,755	\$ 32,472,358
8,057,996	7,734,851	5,580,049	4,610,400	6,266,907	8,411,004
\$ 34,410,285	\$ 34,589,818	\$ 41,916,948	\$ 41,199,028	\$ 42,032,662	\$ 40,883,362
\$ 74,505,049	\$ 73,181,014	\$ 80,092,560	\$ 69,813,503	\$ 69,936,884	\$ 62,664,449
3,045,922	4,186,505	5,319,794	4,557,424	4,104,560	7,065,413
32,211,903	(2,706,169)	(93,983,370)	(87,168,062)	(88,883,519)	(99,368,945)
\$ 109,762,874	\$ 74,661,350	\$ (8,571,016)	\$ (12,797,135)	\$ (14,842,075)	\$ (29,639,083)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
EXPENSES				
Governmental Activities				
General government	\$ 7,192,572	\$ 6,541,405	\$ 6,992,107	\$ 6,233,324
Public safety	27,172,360	27,303,165	27,276,948	28,134,173
Highways and streets	12,101,419	12,924,872	18,141,803	15,853,017
Health	4,194,045	4,133,883	4,289,103	4,407,533
Welfare	2,316,995	2,039,805	1,902,841	1,909,062
Culture and recreation	367,635	322,553	353,308	406,606
Interest	1,047,961	1,146,789	1,329,499	1,033,923
Total governmental activities expenses	54,392,987	54,412,472	60,285,609	57,977,638
Business-Type Activities				
Water and sewer	9,393,148	9,950,591	10,444,247	11,129,942
Commuter parking	233,701	284,607	327,224	345,715
Total business-type activities expenses	9,626,849	10,235,198	10,771,471	11,475,657
TOTAL PRIMARY GOVERNMENTAL EXPENSES	\$ 64,019,836	\$ 64,647,670	\$ 71,057,080	\$ 69,453,295
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 6,705,200	\$ 6,271,966	\$ 6,343,828	\$ 7,068,010
Public safety	1,580,052	1,486,144	1,545,333	1,412,279
Highway and streets	237,786	135,641	108,865	126,660
Other activities	65,933	70,964	32,040	39,163
Operating grants and contributions	2,551,348	2,338,965	2,749,168	1,974,867
Capital grants and contributions	406,734	443,278	65,905	72,175
Total governmental activities program revenues	11,547,053	10,746,958	10,845,139	10,693,154
Business-Type Activities				
Charges for services				
Water and sewer	8,500,396	8,916,621	9,081,731	10,990,923
Commuter parking	218,735	210,324	219,040	225,214
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	8,719,131	9,126,945	9,300,771	11,216,137
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 20,266,184	\$ 19,873,903	\$ 20,145,910	\$ 21,909,291
NET REVENUE (EXPENSE)				
Governmental activities	\$ (42,845,934)	\$ (43,665,514)	\$ (49,440,470)	\$ (47,284,484)
Business-type activities	(907,718)	(1,108,253)	(1,470,700)	(259,520)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (43,753,652)	\$ (44,773,767)	\$ (50,911,170)	\$ (47,544,004)

2013	2014	2015*	2016	2017	2018**
\$ 7,356,433	\$ 10,171,883	\$ 11,514,091	\$ 9,949,082	\$ 10,690,075	\$ 11,942,073
29,771,502	30,812,251	38,535,612	38,328,609	37,351,039	42,702,313
18,570,593	19,923,120	26,650,772	19,990,440	16,176,313	15,587,445
4,459,897	4,591,946	4,538,800	4,620,982	4,557,211	4,811,335
1,868,952	1,844,911	1,813,254	2,109,733	2,068,368	1,636,190
443,171	425,217	453,534	515,555	611,653	573,403
1,016,337	2,899,466	2,064,448	1,926,793	2,049,953	3,396,566
63,486,885	70,668,794	85,570,511	77,441,194	73,504,612	80,649,325
12,078,221	13,779,500	14,143,610	16,054,624	14,308,117	15,419,616
346,303	329,988	269,619	390,118	229,873	311,736
12,424,524	14,109,488	14,413,229	16,444,742	14,537,990	15,731,352
\$ 75,911,409	\$ 84,778,282	\$ 99,983,740	\$ 93,885,936	\$ 88,042,602	\$ 96,380,677
\$ 6,908,188	\$ 7,785,745	\$ 4,458,450	\$ 4,496,290	\$ 4,178,495	\$ 4,362,732
1,583,328	1,712,860	1,796,729	1,795,838	1,761,708	1,678,492
269,066	414,316	183,246	290,172	169,389	387,676
41,220	515,095	4,467,864	4,799,080	4,616,263	4,617,215
2,356,665	2,209,036	1,912,795	2,629,030	2,705,584	2,007,177
288,752	140,181	47,274	-	159,682	488,470
11,447,219	12,777,233	12,866,358	14,010,410	13,591,121	13,541,762
11,507,264	11,970,681	12,434,405	12,931,867	13,395,619	14,224,032
234,458	254,784	261,745	334,102	343,314	342,560
-	373,498	8,889,998	244,423	-	-
11,741,722	12,598,963	21,586,148	13,510,392	13,738,933	14,566,592
\$ 23,188,941	\$ 25,376,196	\$ 34,452,506	\$ 27,520,802	\$ 27,330,054	\$ 28,108,354
\$ (52,039,666)	\$ (57,891,561)	\$ (72,704,153)	\$ (63,430,784)	\$ (59,913,491)	\$ (67,107,563)
(682,802)	(1,510,525)	7,172,919	(2,934,350)	(799,057)	(1,164,760)
\$ (52,722,468)	\$ (59,402,086)	\$ (65,531,234)	\$ (66,365,134)	\$ (60,712,548)	\$ (68,272,323)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 16,543,215	\$ 17,165,849	\$ 17,942,394	\$ 18,385,422
Utility	4,519,175	4,589,221	4,624,678	4,658,265
Business district	-	-	-	283,706
Home rule sales	4,061,202	4,392,753	4,673,134	4,750,232
Other	1,524,823	1,598,056	1,976,997	2,408,064
Intergovernmental				
State sales and use	9,761,726	11,110,707	11,411,781	11,877,115
Income taxes	4,573,162	4,428,176	4,328,196	4,759,513
Replacement taxes	338,134	362,532	357,596	358,286
Property tax TIF rebate	-	-	-	-
Charitable games tax	-	-	3,986	4,090
Investment income	187,793	67,001	29,043	42,452
Miscellaneous	605,006	633,902	235,167	278,293
Transfers	-	8,370	-	-
Contributions	-	-	-	-
Total governmental activities	42,114,236	44,356,567	45,582,972	47,805,438
Business-Type Activities				
Property tax	1,520,602	1,513,114	1,526,828	1,515,605
Home rule sales tax	82,882	89,942	107,576	99,795
Investment income	26,646	1,653	836	517
Miscellaneous	56,761	75,267	73,858	(29,581)
Transfers	-	(8,370)	-	-
Total business-type activities	1,686,891	1,671,606	1,709,098	1,586,336
TOTAL PRIMARY GOVERNMENT	\$ 43,801,127	\$ 46,028,173	\$ 47,292,070	\$ 49,391,774
CHANGE IN NET POSITION				
Governmental activities	\$ (731,698)	\$ 691,053	\$ (3,857,498)	\$ 520,954
Business-type activities	779,173	563,353	238,398	1,326,816
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 47,475	\$ 1,254,406	\$ (3,619,100)	\$ 1,847,770

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

**The Village implemented GASB Statement No. 75 in fiscal year 2018.

Data Source

Audited Financial Statements

	2013	2014	2015*	2016	2017	2018**
\$	18,890,542	\$ 19,745,699	\$ 19,884,986	\$ 20,463,758	\$ 18,396,040	\$ 19,228,572
	3,891,713	4,093,596	3,774,729	3,629,525	3,491,473	3,476,968
	317,527	331,933	342,040	341,340	322,936	315,425
	5,035,998	5,320,795	5,367,762	5,553,213	5,365,011	5,455,278
	2,952,665	3,421,604	3,940,993	3,645,424	3,804,231	4,072,906
	13,254,358	14,310,773	16,311,253	17,630,758	19,894,716	24,370,264
	5,161,051	5,186,155	5,763,542	5,272,834	4,975,194	5,187,361
	396,999	407,764	386,154	386,338	456,136	370,542
	-	-	365,634	380,758	-	-
	4,090	4,812	-	4,101	-	8,627
	29,785	(46,496)	24,784	76,594	196,995	675,703
	436,703	47,636	42,059	33,286	125,949	1,049,155
	-	-	(200,000)	-	-	-
	-	-	-	-	-	-
	50,371,431	52,824,271	56,003,936	57,417,929	57,028,681	64,210,801
	1,507,661	1,508,704	1,519,375	1,524,901	1,514,452	-
	104,050	100,697	101,595	-	-	-
	3,387	3,189	34,195	14,419	25,334	196,817
	90,713	77,468	94,424	90,810	92,905	83,369
	-	-	200,000	-	-	-
	1,705,811	1,690,058	1,949,589	1,630,130	1,632,691	280,186
\$	52,077,242	\$ 54,514,329	\$ 57,953,525	\$ 59,048,059	\$ 58,661,372	\$ 64,490,987
\$	(1,668,235)	\$ (5,067,290)	\$ (16,700,217)	\$ (6,012,855)	\$ (2,878,574)	\$ (2,896,762)
	1,023,009	179,533	9,122,508	(1,304,220)	833,634	(884,574)
\$	(645,226)	\$ (4,887,757)	\$ (7,577,709)	\$ (7,317,075)	\$ (2,044,940)	\$ (3,781,336)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011*	2012
GENERAL FUND				
Reserved	\$ 88,492	\$ 53,536	\$ -	\$ -
Unreserved	10,110,989	10,364,455	-	-
Nonspendable	-	-	100,590	98,150
Unassigned	-	-	10,704,282	11,466,179
TOTAL GENERAL FUND	\$ 10,199,481	\$ 10,417,991	\$ 10,804,872	\$ 11,564,329
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 4,762,560	\$ 2,188,376	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	1,674,387	2,148,898	-	-
Debt Service Funds	(485,274)	(78,844)	-	-
Capital Project Funds	1,965,761	2,459,761	-	-
Nonspendable	-	-	147,130	144,114
Restricted	-	-	2,828,903	3,625,715
Assigned	-	-	3,564,914	7,525,930
Unassigned	-	-	(5,578)	(664)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,917,434	\$ 6,718,191	\$ 6,535,369	\$ 11,295,095

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

Data Source

Audited Financial Statements

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
297,762	337,165	204,023	188,247	261,219	220,065
11,580,820	12,508,457	17,016,920	18,496,104	19,137,752	22,837,502
\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	\$ 19,398,971	\$ 23,057,567
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
132,464	147,412	107,609	96,771	83,232	74,703
3,166,583	13,941,797	5,212,985	4,557,424	8,919,560	39,339,578
15,705,506	7,371,630	3,679,129	3,224,446	3,579,214	7,182,152
(689)	(789)	(448,034)	(688,716)	-	-
\$ 19,003,864	\$ 21,460,050	\$ 8,551,689	\$ 7,189,925	\$ 12,582,006	\$ 46,596,433

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
REVENUES				
Taxes	\$ 26,648,415	\$ 27,740,802	\$ 29,217,203	\$ 30,485,689
Licenses, permits, and fees	3,748,456	3,394,211	3,356,816	3,657,586
Intergovernmental	17,274,500	18,719,087	18,895,261	18,862,827
Charges for services	3,832,341	3,789,976	3,974,677	4,417,110
Fines and forfeits	529,655	556,178	548,993	403,036
Investment income	137,142	55,457	23,103	36,491
Other reimbursements	-	-	-	-
Miscellaneous	834,738	781,149	406,118	629,892
Total revenues	53,005,247	55,036,860	56,422,171	58,492,631
EXPENDITURES				
General government	5,796,151	5,240,716	5,284,168	5,827,275
Public safety	26,384,953	26,935,085	26,992,535	28,022,943
Highways and streets	8,291,493	7,450,823	7,681,534	7,734,185
Health	4,188,172	4,128,010	4,286,754	4,405,184
Welfare	2,316,995	2,039,805	1,902,841	1,909,062
Culture and recreation	358,207	313,125	346,068	399,366
Capital outlay	14,296,659	7,739,590	7,274,213	4,761,739
Debt service				
Principal retirement	1,425,219	1,046,203	1,377,700	1,479,732
Interest and fiscal charges	1,023,907	1,124,236	1,057,464	959,812
Total expenditures	64,081,756	56,017,593	56,203,277	55,499,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,076,509)	(980,733)	218,894	2,993,333
OTHER FINANCING SOURCES (USES)				
Bonds issued	16,080,000	-	5,160,000	5,475,000
Premium on bonds issued	124,535	-	-	-
Payment to escrow agent	(3,513,925)	-	(5,139,582)	(2,949,150)
Transfers in	635,100	450,000	80,089	-
Transfers (out)	(635,100)	(450,000)	(115,342)	-
Sale of capital assets	364	-	-	-
Total other financing sources (uses)	12,690,974	-	(14,835.00)	2,525,850
NET CHANGE IN FUND BALANCES	\$ 1,614,465	\$ (980,733)	\$ 204,059	\$ 5,519,183
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	4.55%	4.12%	4.35%	4.40%

Data Source

Audited Financial Statements

	2013	2014	2015	2016	2017	2018
\$	31,088,445	\$ 32,564,624	\$ 33,433,891	\$ 34,113,260	\$ 31,784,137	\$ 33,080,547
	3,589,368	3,516,082	3,915,635	4,001,458	3,982,497	4,085,141
	21,103,909	23,914,974	26,018,173	27,434,551	29,199,312	32,811,854
	4,408,987	5,220,730	5,664,398	6,347,775	5,810,731	5,834,187
	430,960	587,966	511,536	414,885	415,189	403,842
	16,751	(46,495)	24,784	76,594	196,995	675,700
	-	-	-	35,000	19,824	112,429
	1,167,196	983,623	656,877	549,816	592,352	1,660,393
	61,805,616	66,741,504	70,225,294	72,973,339	72,001,037	78,664,093
	7,452,147	7,050,018	7,598,649	9,435,601	10,060,904	9,566,297
	29,233,562	30,706,685	30,350,270	32,512,612	34,279,062	36,287,527
	9,094,846	8,291,698	7,744,122	8,148,696	8,762,136	9,658,459
	4,457,548	4,590,027	4,589,156	4,585,572	4,500,280	4,835,310
	1,868,952	1,865,265	1,961,516	1,994,918	1,953,055	1,798,458
	435,931	421,517	467,611	499,208	585,907	572,169
	8,588,414	12,075,460	20,998,508	10,718,553	5,786,667	15,245,784
	1,537,312	2,987,587	3,048,912	3,243,840	3,518,904	3,671,871
	913,882	1,914,718	1,799,590	2,017,192	1,378,256	2,484,885
	63,582,594	69,902,975	78,558,334	73,156,192	70,825,171	84,120,760
	(1,776,978)	(3,161,471)	(8,333,040)	(182,853)	1,175,866	(5,456,667)
	9,800,000	6,290,000	-	17,835,000	4,815,000	45,500,000
	-	294,697	-	1,022,839	115,835	1,783,506
	-	-	-	(18,573,342)	-	(4,153,816)
	239,977	-	81,599	1,637,926	600,000	2,354,391
	(239,977)	-	(281,599)	(1,637,926)	(600,000)	(2,354,391)
	-	-	-	-	-	-
	9,800,000	6,584,697	(200,000)	284,497	4,930,835	43,129,690
\$	8,023,022	\$ 3,423,226	\$ (8,533,040)	\$ 101,644	\$ 6,106,701	\$ 37,673,023
	4.01%	7.02%	6.20%	7.32%	6.99%	8.00%

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
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	1,037,906	1,619,158,852	1.157	4,857,476,556	33.333%
2017	1,185,479,107	321,277,244	162,946,209	1,022,879	1,670,725,439	1.143	5,012,176,317	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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
VILLAGE DIRECT RATES										
Corporate	0.393	0.399	0.377	0.444	0.501	0.688	0.724	-	-	-
Bonds and interest	0.093	0.076	0.098	0.105	0.113	0.167	0.165	0.170	0.143	0.146
Garbage	0.090	0.089	0.098	0.109	0.121	0.026	-	-	-	-
Police Pension	0.078	0.102	0.137	0.147	0.167	0.214	0.208	0.236	0.211	0.202
Firefighters' Pension	0.078	0.088	0.119	0.131	0.149	0.180	0.179	0.190	0.170	0.182
Fire Protection	-	-	-	-	-	-	-	0.385	0.322	0.312
Police Protection	-	-	-	-	-	-	-	0.371	0.311	0.301
TOTAL DIRECT RATES	0.732	0.754	0.829	0.936	1.051	1.275	1.276	1.352	1.157	1.143
OVERLAPPING RATES										
Mount Prospect Library	0.441	0.450	0.519	0.582	0.646	0.761	0.758	0.801	0.687	0.681
County of Cook	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.533	0.496
Consolidated Elections	-	0.021	-	0.025	-	0.031	-	0.034	-	0.031
Forest Preserve District	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062
Metropolitan Water Reclamation District	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402
Township of Elk Grove	0.041	0.044	0.049	0.056	0.064	0.077	0.076	0.078	0.066	0.065
Township of Maine	0.064	0.067	0.075	0.085	0.096	0.120	0.119	0.124	0.108	0.105
Township of Wheeling	0.038	0.039	0.043	0.048	0.052	0.056	0.052	0.055	0.041	0.043
General Assistance Elk Grove	0.009	0.010	0.011	0.012	0.014	0.017	0.017	0.017	0.013	0.013
General Assistance Maine	0.015	0.016	0.018	0.021	0.023	0.029	0.029	0.031	0.027	0.021
General Assistance Wheeling	0.009	0.009	0.005	0.009	0.009	0.010	0.010	0.010	0.008	0.009
Road and Bridge Elk Grove	0.009	0.010	0.011	0.013	0.014	0.017	0.018	0.018	0.016	0.016
Road and Bridge Maine	0.033	0.034	0.038	0.043	0.049	0.061	0.062	0.065	0.056	0.057
Road and Bridge Wheeling	0.012	0.012	0.014	0.015	0.016	0.019	0.019	0.020	0.014	0.015
Northwest Mosquito Abatement District	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011	0.010	0.010
Arlington Heights High School #214	1.587	1.636	1.839	2.067	2.324	2.768	2.776	2.881	2.527	2.563
Community College District #512	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466	0.416	0.425
Arlington Heights Park District	0.379	0.392	0.450	0.496	0.545	0.633	0.636	0.626	0.488	0.494
Village of Mount Prospect										
Special Service Area #5	0.096	0.095	0.105	0.114	0.122	0.140	0.138	0.142	0.119	0.118
School District #59	1.810	1.945	2.129	2.422	2.673	3.172	3.176	3.291	2.998	3.031
Mount Prospect Park District	0.407	0.411	0.453	0.502	0.557	0.657	0.654	0.681	0.594	0.609

Tax levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OVERLAPPING RATES (Continued)										
School District #57	2.246	2.195	2.521	2.748	3.041	3.478	3.241	3.364	2.870	3.720
School District #25	2.807	2.510	2.813	3.101	3.416	3.659	3.678	3.990	3.424	3.488
River Trails Park District	0.422	0.433	0.510	0.553	0.632	0.747	0.748	0.769	0.665	0.681
School District #26	2.696	2.703	3.131	3.458	3.873	4.563	4.572	4.742	4.140	4.198
Prospect Heights Park District	0.544	0.523	0.595	0.661	0.746	0.856	0.884	0.912	0.770	0.784
School District #23	2.363	2.253	2.571	2.869	3.273	3.932	3.922	4.062	3.404	3.479
School District #21	3.161	3.209	3.658	4.164	4.556	4.841	5.430	5.642	4.966	5.022
Des Plaines Park District	0.300	0.317	0.338	0.379	0.425	0.531	0.529	0.556	0.485	0.493
Prospect Heights Old Town Sanitary	0.015	0.015	0.017	0.020	0.023	0.028	0.028	-	-	-
Elk Grove Rural Fire Protection District	0.971	1.032	1.055	1.121	1.096	1.296	1.329	1.410	1.305	1.305
Prospect Heights Fire Protection District	0.677	0.652	0.755	0.845	0.934	1.091	1.102	1.148	0.979	1.018
High School District #207	1.577	1.617	1.782	1.995	2.215	2.722	2.739	2.901	2.507	2.529
Community College District #535	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271	0.231	0.232
School District #62	2.329	2.492	2.741	3.107	3.490	4.255	4.293	4.487	3.921	3.940
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP, AND SCHOOL DISTRICT #59										
	6.114	6.346	6.997	7.913	8.813	10.418	10.420	10.819	9.605	9.665
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	11.97%	11.88%	11.85%	11.83%	11.93%	12.24%	12.25%	12.50%	12.05%	11.83%
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP, SCHOOL DISTRICT #26, AND MOUNT PROSPECT PARK DISTRICT										
	7.000	7.100	7.990	8.940	9.998	11.783	11.786	12.242	10.715	10.805
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	10.46%	10.62%	10.38%	10.47%	10.51%	10.82%	10.83%	11.04%	10.80%	10.58%

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

2018*					2009				
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	\$ 24,376,335	1	1.46%	Randhurst	Shopping Center	\$ 39,388,223	1	1.99%
Home Properties Colony	Apartments	20,042,926	2	1.20%	CRP Holdings	Real Estate	27,946,256	2	1.41%
Mount Prospect Plaza	Shopping Center	18,365,958	3	1.10%	Mount Prospect Plaza	Shopping Center	23,023,261	3	1.16%
United Airlines Inc.	Operations Center	14,703,087	4	0.88%	Home Properties Colony	Colony Square Apartments	21,357,205	4	1.08%
CRP 3 West Central LLC	Industrial	13,621,004	5	0.82%	Golf Plaza	Shopping Center	19,514,331	5	0.99%
Golf Plaza I & II	Shopping Center	13,140,778	6	0.79%	Cummins Alison Corp	Manufacturing	14,335,448	6	0.72%
Cummins Alison Corp	Manufacturing	7,845,274	7	0.47%	PFG 800 Biermann LP	Pharmaceutical	11,788,733	7	0.60%
First Industrial Rlty	Industrial Real Estate	7,733,139	8	0.46%	McRIL, LLC	Retail	11,343,739	8	0.57%
Costco Properties	Commercial Sales Store	7,723,057	9	0.46%	Huntington Square	Apartments	11,336,572	9	0.57%
LIT Industrial Limited	Industrial	<u>7,569,734</u>	10	<u>0.45%</u>	Costco Property Tax	Commercial Sales Store	<u>11,244,715</u>	10	<u>0.57%</u>
		<u>\$ 135,121,292</u>		<u>8.09%</u>			<u>\$ 191,278,483</u>		<u>9.66%</u>
Total 2017 Equalized Assessed Valuation		<u>\$ 1,670,725,439</u>		<u>100.00%</u>	Total 2009 Equalized Assessed Valuation		<u>\$ 1,980,108,520</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 2018 for 2017 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
2009	2008	\$ 14,472,269	\$ 14,137,805	97.69%	\$ (13,612)	\$ 14,124,193	97.59%
2010	2009	15,194,636	14,856,084	97.77%	(129,982)	14,726,102	96.92%
2011	2010	15,194,635	14,961,411	98.47%	(67,949)	14,893,462	98.02%
2012	2011	15,852,352	15,614,490	98.50%	(31,262)	15,583,228	98.30%
2013	2012	16,477,871	16,278,228	98.79%	(75,609)	16,202,619	98.33%
2014	2013	17,301,436	17,064,355	98.63%	(43,980)	17,020,375	98.38%
2015	2014	17,741,219	17,521,845	98.76%	(71,832)	17,450,013	98.36%
2016	2015	18,313,527	18,130,372	99.00%	(65,049)	18,065,323	98.64%
2017	2016	18,733,668	18,534,114	98.93%	41,957	18,576,071	99.16%
2018	2017	19,096,392	18,865,589	98.79%	-	18,865,589	98.79%

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General merchandise	\$ 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	\$ 1,086,859
Food	1,005,043	944,631	895,984	862,501	876,288	891,855	949,277	951,863	877,665	856,379
Drinking and eating places	522,897	544,118	596,008	661,285	764,653	778,314	825,994	884,477	879,654	937,398
Apparel	33,425	37,444	216,301	118,034	149,317	163,857	162,116	163,438	157,353	140,366
Furniture, H.H., and radio	225,436	224,221	237,392	255,967	240,289	221,977	220,663	209,712	202,302	210,670
Lumber, building hardware	650,987	668,852	683,905	670,057	750,191	756,113	791,285	821,872	846,377	913,446
Automobile and filling stations	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	1,816,029
Drugs and miscellaneous retail	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	13,018,288
Agriculture and all others	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	3,751,156
Manufacturers	93,616	129,476	135,019	110,009	182,433	383,370	433,798	500,199	184,759	95,752
TOTAL	\$ 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	\$ 22,826,343
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	795	800	839	861	883	899	997	987	1,102	1,078

Data available for calendar year only. The fiscal year of the Village is the 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	2009	2010	2011	2012*	2013*	2014*	2015*	2016*	2017*	2018*
General merchandise	\$ -	\$ -	\$ -	\$ 89,393	\$ 88,289	\$ 85,937	\$ 84,364	\$ 82,142	\$ 76,426	\$ 64,130
Food	-	-	-	18,898	19,146	20,989	20,747	21,846	20,186	20,833
Drinking and eating places	-	-	-	29,413	40,954	48,185	51,419	54,393	51,629	51,085
Apparel	-	-	-	16,341	15,594	19,302	19,963	21,716	20,126	18,428
Furniture, H.H., and radio	-	-	-	16,287	17,106	16,461	16,088	15,551	14,438	13,241
Lumber, building hardware	-	-	-	90,668	101,338	104,434	107,339	108,479	109,058	115,262
Automobile and filling stations	-	-	-	-	-	-	-	-	-	-
Drugs and miscellaneous retail	-	-	-	17,747	29,896	32,071	37,063	31,889	25,843	32,379
Agriculture and all others	-	-	-	4,959	5,203	4,554	5,057	5,323	5,230	6,503
Manufacturers	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ 283,706	\$ 317,526	\$ 331,933	\$ 342,040	\$ 341,339	\$ 322,936	\$ 321,861
VILLAGE DIRECT SALES TAX RATE	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

Data available for calendar year only. The fiscal year of the Village 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

	2009	2010	2011	2012*	2013*	2014*	2015*	2016*	** 2017*	** 2018*
General merchandise	\$ 693,008	\$ 811,120	\$ 749,509	\$ 900,240	\$ 885,410	\$ 864,254	\$ 861,799	\$ 858,739	\$ 822,252	\$ 820,071
Food	248,128	266,766	254,207	238,050	240,013	234,082	249,683	246,759	231,474	242,466
Drinking and eating places	519,177	539,414	592,596	656,376	754,898	766,264	808,304	862,052	831,312	866,771
Apparel	33,424	37,442	153,487	117,928	148,991	163,487	161,630	162,986	154,603	139,864
Furniture, H.H., and radio	223,116	220,694	232,711	251,253	235,936	218,184	217,031	206,542	196,588	208,007
Lumber, building hardware	646,990	665,409	680,356	665,891	743,492	752,301	787,000	817,396	828,391	905,620
Automobile and filling stations	596,221	697,383	891,042	922,948	948,339	956,255	893,301	831,269	937,688	1,046,299
Drugs and miscellaneous retail	407,587	484,085	432,639	454,001	509,608	508,772	488,963	439,702	473,116	526,118
Agriculture and all others	647,829	632,050	659,611	514,937	492,238	550,929	548,380	623,624	702,386	678,802
Manufacturers	89,263	126,598	131,640	107,183	179,710	380,685	431,129	497,623	179,655	93,194
TOTALS	\$ 4,104,743	\$ 4,480,961	\$ 4,777,798	\$ 4,828,807	\$ 5,138,635	\$ 5,395,213	\$ 5,447,220	\$ 5,546,692	\$ 5,357,465	\$ 5,527,213
NUMBER OF TAXPAPERS	795	800	839	861	883	899	997	987	1,102	1,078
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 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
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%
2018*	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			
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	5,063,964	84,649,351	4.71%	1,563
2018	85,737,998	-	57,500	590,000	33,192,363	9,827,936	129,405,797	7.19%	2,389

* See the schedule of Demographic and Economic Information on page 209 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 one 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
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	50,848,807	184,195	50,664,612	1.04%	935.34
2018	95,565,934	1,604,391	93,961,543	1.87%	1,734.66

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 195 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, 2018

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	\$ 119,577,861	100.000%	\$ 119,577,861
County of Cook	3,092,046,750	1.108%	34,259,878
Forest Preserve District of Cook County	101,200,000	1.108%	1,121,296
Metropolitan Water Reclamation District	1,910,355,000	1.129%	21,567,908
Community College District #535	34,150,000	0.015%	5,123
Community College District #512	126,895,000	8.703%	11,043,672
School District #214	37,480,000	19.282%	7,226,894
School District #207	14,540,000	0.072%	10,469
School District #57	7,860,000	94.911%	7,460,005
School District #26	8,665,000	78.036%	6,761,819
School District #25	47,360,000	2.625%	1,243,200
School District #23	7,540,000	7.647%	576,584
School District #21	30,255,000	3.125%	945,469
School District #59	12,385,000	16.780%	2,078,203
Arlington Heights Park District	11,200,000	1.606%	179,872
Des Plaines Park District	2,050,000	1.685%	34,543
Mount Prospect Park District	20,923,888	67.760%	14,178,027
	<u>5,464,905,638</u>		<u>108,692,962</u>
	<u>\$ 5,584,483,499</u>		<u>\$ 228,270,823</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 2017 assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village.

(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 CAFR's on file with the Cook County Treasurer's Office.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2018

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
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	1,670,725,439	1,798,831,903	33,209	3.70%
2018	54,167	N/A	1,798,831,903	33,209	2.90%

Note: 2018 Equalized Assessed Valuation is not available until 2019.

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

2018				2009			
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 Corporation	2	576	1.02%
Cummins-Allison Corporation	3	391	0.72%	Metropolitan Life	3	445	0.79%
Village of Mount Prospect	4	383	0.71%	Cummins-Allison Corporation	4	435	0.77%
Mount Prospect School District 57	5	323	0.60%	Village of Mount Prospect	5	339	0.60%
Rauland Borg	6	300	0.55%	Walmart	6	330	0.59%
Prospect High School	7	300	0.55%	Rauland Borg	7	300	0.53%
Jewel-Osco Food Stores	8	280	0.52%	Mount Prospect School District 57	8	298	0.53%
Walmart	9	251	0.46%	Township High School No. 214	9	250	0.44%
Mount Prospect School District 26	10	222	0.41%	Siemens Building Technologies	10	235	0.42%

Data Source

Village Records

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
PUBLIC REPRESENTATION/COMMUNITY AND CIVIC SERVICES				
Total	1.05	1.05	2.10	2.10
GENERAL GOVERNMENT				
Village administration				
Administration	16.95	14.95	14.95	15.45
Finance	15.00	13.00	13.00	13.00
Total	31.95	27.95	27.95	28.45
Community development				
Community development	23.15	20.48	20.48	17.75
Community development/CDBG	1.20	1.25	1.25	1.25
Total	24.35	21.73	21.73	19.00
Human services department				
Total	10.60	9.50	9.50	9.50
PUBLIC SAFETY AND PROTECTION				
Police Department	111.50	97.83	97.83	99.50
Fire Department	82.20	74.75	74.75	74.50
Total	193.70	172.58	172.58	174.00
PUBLIC WORKS DEPARTMENT				
Administration	3.35	2.85	2.85	2.85
Streets/buildings/parking	14.80	11.35	11.85	11.85
Forestry	10.80	10.70	9.75	9.75
Engineering	8.30	8.00	8.00	8.00
Water/sewer	26.15	26.50	25.00	25.00
Refuse disposal	2.90	2.90	2.90	2.90
Parking	-	-	0.90	0.90
Vehicle maintenance	10.90	10.90	10.90	10.90
Total	77.20	73.20	72.15	72.15
VILLAGE TOTAL	338.85	306.01	306.01	305.20

Data Source

Village budget

2013	2014	2015	2016	2017	2018
2.10	2.05	2.15	2.20	2.10	2.05
2.10	2.05	2.15	2.20	2.10	2.05
15.45	15.45	16.85	16.75	17.35	15.85
13.00	13.00	13.00	13.00	13.00	13.50
28.45	28.45	29.85	29.75	30.35	29.35
18.50	18.50	18.50	18.75	18.75	21.00
1.00	1.00	1.00	0.75	0.75	-
19.50	19.50	19.50	19.50	19.50	21.00
9.50	9.50	9.50	9.50	9.55	10.55
9.50	9.50	9.50	9.50	9.55	10.55
100.50	100.50	99.50	101.50	102.50	103.00
74.50	74.50	75.00	81.00	81.00	81.00
175.00	175.00	174.50	182.50	183.50	184.00
2.85	2.85	2.85	3.85	3.35	4.75
12.45	12.40	12.40	12.35	12.35	14.20
9.25	9.35	9.25	8.35	8.35	8.35
8.00	8.00	8.00	8.00	8.00	7.90
24.75	24.75	24.75	2.90	25.25	25.75
2.90	2.90	2.90	24.75	2.90	-
0.90	0.90	0.90	0.90	0.90	-
10.75	10.75	10.75	10.75	10.75	10.75
71.85	71.90	71.80	71.85	71.85	71.70
306.40	306.40	307.30	315.30	316.85	318.65

VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
FINANCE DEPARTMENT				
Vehicle stickers issued	39,650	40,018	39,834	43,092
Utility bills	86,458	86,057	86,701	90,147
Real estate transfer tax stamps sold	986	1,086	1,022	1,282
COMMUNITY DEVELOPMENT				
Building Division				
Permits issued	2,415	2,922	2,821	2,278
Plan reviews	420	505	515	595
Building code inspections	8,564	8,783	8,508	9,154
Environmental Health Division				
Inspections				
Food service	394	400	394	405
Multi-family buildings	491	664	664	565
PUBLIC SAFETY				
Police				
Number of crimes	3,921	3,696	3,359	3,178
Number of service calls	23,600	22,028	19,943	19,184
Number of arrests	1,736	1,898	1,845	1,602
Moving violations	10,355	10,139	7,026	5,979
Parking citations	10,256	11,317	9,363	7,640
Fire				
Fire calls	1,817	1,888	2,350	1,892
EMS calls	3,535	3,465	3,590	3,885
Fire prevention inspections	4,258	3,790	3,418	3,308
Training hours	23,851	24,313	23,578	21,340
PUBLIC WORKS				
Streets				
Street resurfacing (miles)	5.80	5.00	4.70	5.20
Crack filling (lbs)	57,118	46,846	40,871	51,885
Leaves removed (cubic yards)	18,970	15,424	14,843	12,569
Water				
Water mains installed (lineal feet)	5,475	5,475	-	-
Water billed (1,000 gallons)	1,346,272	1,296,556	1,287,525	1,341,268
Sanitary sewers cleaned (ft)	55,150	55,150	54,236	58,922
Refuse (single/multi-family)				
Solid waste collected (tons)	30,231	31,963	32,264	31,385
Recycling (tons)	6,154	6,117	6,644	6,028

*2018 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

2013	2014	2015	2016	2017	2018*
43,490	42,789	41,964	41,323	40,638	40,240
152,312	152,649	152,703	152,872	152,689	152,576
1,451	1,426	1,433	1,541	1,472	1,489
2,383	2,653	2,490	2,500	2,375	2,400
524	471	536	513	425	450
7,824	10,952	10,590	9,535	9,640	9,500
393	434	409	400	400	400
568	1,068	1,043	1,000	1,000	1,000
2,809	2,480	2,399	2,235	2,387	2,350
19,206	18,594	18,906	18,130	18,393	18,000
1,509	1,307	1,178	1,083	1,102	966
6,152	4,928	4,839	4,139	3,842	3,500
7,314	7,671	7,166	5,637	8,179	6,800
1,967	1,926	1,883	1,889	1,816	1,800
3,912	3,985	4,061	4,032	4,105	4,150
3,144	3,047	2,700	3,800	2,075	2,500
21,149	24,033	21,454	29,024	31,626	31,400
7.50	18.80	9.80	6.30	7.20	7.30
49,153	59,568	51,412	53,623	51,412	56,300
14,577	14,652	14,000	11,804	14,000	14,500
-	-	1,990	600	1,990	3,900
1,284,779	1,301,528	1,204,478	1,224,661	1,208,079	1,179,096
65,000	90,000	120,000	75,000	60,000	60,000
29,494	30,320	30,605	26,574	29,613	28,976
5,692	5,498	5,369	5,357	5,490	5,600

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	34	34	34	33	33	32	32	30	31	31
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	22	22	22	20	23	23	22	21	21	21
PUBLIC WORKS										
Residential streets (miles)	134	134	134	134	135	134	134	135	135	135
WATER										
Water mains (miles)	166	162	162	162	161	160	160	160	160	160
Fire hydrants	2,328	2,295	2,291	2,295	2,274	2,242	2,240	2,243	2,246	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	71	71	71	71	71	71	72	72	72
Storm sewers (miles)	124	128	128	128	135	135	108	108	110	110
Combined sewers (miles)	59	54	54	54	54	54	54	55	55	55

Data Source

Various village departments

ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12

	Amount Applicable as of December 31, 2018	As Percent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2017	\$ 1,670,725,439	100.00%	33.33%	\$ 30,843.97
Estimated True Value of Taxable Real Property, 2017	5,012,176,317	300.00%	100.00%	92,531.92
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 61,210,000	3.66%	1.22%	\$ 1,130.02
Self-Supporting Debt	58,367,861	3.49%	1.16%	1,077.55
Total Direct Bonded Debt	\$ 119,577,861	7.16%	2.39%	\$ 2,207.58
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 37,351,438	2.24%	0.75%	\$ 689.56
Other Than Schools	71,341,524	4.27%	1.42%	1,317.07
Total Overlapping Bonded Debt	\$ 108,692,962	6.51%	2.17%	\$ 2,006.63
Total Direct and Overlapping Bonded Debt	\$ 228,270,823	13.66%	4.55%	\$ 4,214.20
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 169,902,962	10.17%	3.39%	\$ 3,136.65
	\$ 4,214.20			

CAFR Page 197 - Schedule of General Long-Term Debt

2011B	1530000	Prop Tax
2012	1745000	Prop Tax
2013	9800000	Self
2014	4675000	Prop Tax
2016	5960000	Prop Tax
2016A	8860000	Prop Tax
2017	4815000	Self
2018A	7060000	Self
2018B	38440000	Prop Tax
Loan Contract	57500	Self
Installment Note	590000	Self
Business District Note	33192363	Self
Unamortized Bond Discount	2852998	Self
	119577861	
	61210000	Prop Tax
	58367861	Self
	119577861	

Verify with Overlapping Debt Schedule

School	37351438
Other	71341524
	108692962

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments	Total Maturities		Levy Year	Property Taxes
	Property Taxes	Annual Amount	Cumul. Percent		
2019	3,140,000	3,140,000	3.8%	2018	6,422,733
2020	4,015,000	4,015,000	8.6%	2019	6,995,470
2021	4,590,000	4,590,000	14.2%	2020	7,444,640
2022	4,505,000	4,505,000	19.6%	2021	7,224,030
2023	2,780,000	2,780,000	23.0%	2022	5,372,844
2024	2,890,000	2,890,000	26.4%	2023	5,393,244
2025	3,025,000	3,025,000	30.1%	2024	5,413,044
2026	3,160,000	3,160,000	33.9%	2025	5,540,094
2027	3,285,000	3,285,000	37.9%	2026	5,454,144
2028	3,435,000	3,435,000	42.0%	2027	5,493,069
2029	3,075,000	3,075,000	45.7%	2028	5,016,475
2030	3,335,000	3,335,000	49.7%	2029	5,140,400
2031	3,510,000	3,510,000	54.0%	2030	5,167,063
2032	3,695,000	3,695,000	58.4%	2030	5,196,088
2033	3,890,000	3,890,000	63.1%	2031	5,227,025
2034	3,170,000	3,170,000	67.0%	2033	4,335,119
2035	3,320,000	3,320,000	71.0%	2034	4,372,850
2036	3,475,000	3,475,000	75.2%	2035	4,408,219
2037	3,630,000	3,630,000	79.5%	2036	4,437,275
2038	2,560,000	2,560,000	82.6%	2037	3,235,200
2039	2,660,000	2,660,000	85.8%	2038	3,236,000
2040	2,765,000	2,765,000	89.2%	2039	3,234,600
2041	2,875,000	2,875,000	92.6%	2040	3,234,000
2042	2,990,000	2,990,000	96.2%	2041	3,234,000
2043	3,110,000	3,110,000	100.0%	2042	3,234,400
	<u>\$82,885,000</u>	<u>\$82,885,000</u>			

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
May 1, 2018	7,060,000	1.62%	0.62%	3.79%	2.75%	4,214.20	2,450.93
October 16, 2018	38,440,000	2.39%	1.28%	4.55%	3.41%	4,214.20	3,135.48

Real Property

Tax Levy Year (2)	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	47,669,419	1,666,828,271	20.2%
2017	1,670,725,439	-	1,670,725,439	0.2%

SCHOOL DISTRICTS:	Percent of Village's 2017 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	94.911%	7,460,005
Community Consolidated No. 59	26.7%	12,385,000	16.780%	2,078,203
River Trails No. 26	26.4%	8,665,000	78.036%	6,761,819
Wheeling Community Consolidated No. 21	3.4%	30,255,000	3.125%	945,469
Arlington Heights No. 25	3.2%	47,360,000	2.625%	1,243,200
Prospect Heights No. 23	2.5%	7,540,000	7.647%	576,584
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	37,480,000	19.282%	7,226,894
Maine Township No. 207	0.2%	14,540,000	0.072%	10,469
Community Colleges:				
Oakton No. 535	0.2%	34,150,000	0.015%	5,123
Harper No. 512	99.8%	126,895,000	8.703%	11,043,672
Total Schools				37,351,438
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,193,246,750	1.108%	35,381,174
Metropolitan Water Reclamation District	100.0%	1,910,355,000	1.129%	21,567,908
Park Districts:				
Mount Prospect	66.8%	20,923,888	67.760%	14,178,027
River Trails	25.4%	-	-	-
Arlington Heights	2.8%	11,200,000	1.606%	179,872
Des Plaines	1.8%	2,050,000	1.685%	34,543
Prospect Heights	3.3%	-	-	-
Total Other Than Schools				71,341,524

Village of Mount Prospect:	Levy Years				
	2013	2014	2015	2016	2017
Bonds and Interest	\$ 0.167	\$ 0.165	\$ 0.170	\$ 0.143	\$ 0.146
Pensions (Police, Fire)	0.393	0.387	0.426	0.381	0.384
Police Protection	-	-	0.372	0.311	0.312
Fire Protection	-	-	0.384	0.322	0.301
Corporate	0.689	0.724	-	-	-
Garbage	0.026	-	-	-	-
Total Village	\$ 1.275	\$ 1.276	\$ 1.352	\$ 1.157	\$ 1.143
Cook County, Including Forest Preserve District	0.629	0.637	0.621	0.596	0.558
Metropolitan Water Reclamation District	0.417	0.430	0.426	0.406	0.402
Mount Prospect Park District	0.657	0.654	0.681	0.594	0.609
Mount Prospect Public Library	0.761	0.758	0.801	0.687	0.681
Special Service Area No. 5	0.140	0.138	0.142	0.119	0.118
Community Consolidated School District No. 59	3.172	3.176	3.291	2.998	3.031
Township High School District No. 214	2.768	2.776	2.881	2.527	2.563
Harper College No. 512	0.444	0.451	0.466	0.416	0.425
All Other	0.155	0.124	0.158	0.105	0.135
Total (2)	\$ 10.418	\$ 10.420	\$ 10.819	\$ 9.605	\$ 9.665
Village as a Percent of Total	12.2%	12.2%	12.5%	12.0%	11.8%

Levy Year	Collection Year	Total Taxes Extended	Total Taxes Collected as of December 31, 2018 (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%
2017	2018	19,096,392	18,865,589	98.79%

Rank	Taxpayer	Business/Properties	Equalized Assessed Valuation (1)	Percent of Village (2)
1	DLC Management Corporation	Shopping Center	24,376,335	1.46%
2	Home Properties	Colony Square Apartments	20,042,926	1.20%
3	Mount Prospect Plaza	Shopping Center	18,365,958	1.10%
4	United Airlines Inc.	Operations Center	14,703,087	0.88%
5	Individual	Commercial	13,621,004	0.82%
6	Golf Plaza I and II	Shopping Center	13,140,778	0.79%
7	Cummins Allison Corporation	Manufacturing	7,845,274	0.47%
8	First Industrial Realty	Real Estate	7,733,139	0.46%
9	Costco Properties	Warehouse Store	7,723,057	0.46%
10	LIT Industrial Limited	Real Estate	7,569,734	0.45%
			<u>\$ 135,121,292</u>	<u>8.09%</u>

Village of Mount Prospect

Classification	Taxable Valuation			Percent of Total	
	2010	2017	% Increase	2010	2017
Residential	1,330,339,716	1,185,479,107	-10.89%	72.51%	70.96%
Commercial	332,297,825	321,277,244	-3.32%	18.11%	19.23%
Industrial	171,115,770	162,946,209	-4.77%	9.33%	9.75%
Railroad	927,196	1,022,879	10.32%	0.05%	0.06%
Total	1,834,680,507	1,670,725,439	-8.94%	100.00%	100.00%

Revenues:	Actual				2018	
	2014	2015	2016	2017	Budget	Actual
Property Taxes	14,392,732	15,317,183	15,917,480	16,112,039	16,540,000	16,112,039
Sales Taxes	14,640,814	16,370,735	17,202,418	19,458,742	23,225,000	23,658,634
State Income Taxes	5,186,155	5,763,542	5,272,834	4,975,194	5,150,000	5,187,361
Licenses, Permits & Fees	2,496,760	2,428,969	2,350,787	2,334,232	2,695,000	2,484,451
Utility Taxes	4,093,598	3,774,729	3,629,525	3,491,473	3,420,000	3,476,969
Charges for Service	1,928,223	1,699,217	1,782,869	1,527,168	1,324,900	1,475,149
Fines & Forfeits	470,466	511,536	414,885	415,189	377,000	403,842
Investment Income	(64,978)	8,612	49,202	132,925	315,000	318,490
Food & Beverage Tax	738,642	759,073	805,172	839,472	815,000	884,637
Real Estate Transfer Tax	954,644	1,371,699	1,049,770	1,190,331	1,430,000	1,426,037
All Other Revenues	2,450,829	2,315,618	3,076,582	3,325,198	3,051,360	3,539,116
Total Revenues	\$ 47,287,885	\$ 50,320,913	\$ 51,551,524	\$ 53,801,963	\$ 58,343,260	\$ 58,966,725
Expenditures:						
General Government						
Public Representation Division	142,574	137,716	141,249	134,039	167,901	159,710
Village Manager's Office	3,166,149	3,529,065	4,031,450	4,730,808	4,201,126	3,733,109
Finance Department	2,007,010	1,945,587	1,972,523	2,466,917	3,159,770	2,735,100
Community Development - Administration	673,549	662,596	734,282	933,069	1,308,889	1,109,904
Benefit Payments	46,300	46,455	46,615	46,780	46,950	5,819
Total General Government	\$ 6,035,582	\$ 6,321,419	\$ 6,926,119	\$ 8,311,613	\$ 8,884,636	\$ 7,743,642
Public Safety:						
Code Enforcement	880,723	812,292	877,060	820,925	785,310	854,780
Police Department	16,578,937	16,277,671	17,067,883	17,823,169	18,584,620	18,564,213
Fire & Emergency Protection Department	13,166,937	13,171,002	14,473,302	15,522,366	15,570,718	15,586,449
Total Public Safety	\$ 30,626,597	\$ 30,260,965	\$ 32,418,245	\$ 34,166,460	\$ 34,940,648	\$ 35,005,442
Highways & Streets	7,500,480	6,935,457	7,282,165	7,613,341	8,414,227	7,915,559
Health	151,586	148,731	160,555	261,533	285,148	306,314
Welfare	1,585,083	1,529,810	1,561,199	1,548,489	1,660,594	1,410,612
Culture & Recreation	421,517	467,611	499,208	585,907	605,972	572,169
Net Transfers (In)/Out	-	281,599	1,240,625	600,000	2,392,000	2,354,391
Total Expenditures	\$ 46,320,845	\$ 45,945,592	\$ 50,088,116	\$ 53,087,343	\$ 57,183,225	\$ 55,308,129
Revenues Over (Under) Expenditures	\$ 967,040	\$ 4,375,321	\$ 1,463,408	\$ 714,620	\$ 1,160,035	\$ 3,658,596
Ending Fund Balance	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	\$ 19,398,971	\$ 20,559,006	\$ 23,057,567

Assets:	2014	2015	2016	2017	2018
Cash & Investments	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092	\$ 14,814,727	\$ 16,672,691
Receivables					
Property Taxes	15,160,497	15,733,573	16,087,246	16,333,702	16,290,898
Other Taxes	5,747,674	6,344,148	6,772,937	6,220,011	7,994,192
All Other	468,180	471,824	435,700	417,856	371,481
Due From Other Funds	154,882	473,348	735,763	92,845	22,254
Due From Other Governments	136,834	159,403	653,254	186,629	49,471
All Other Assets	337,165	204,023	188,247	261,219	220,065
Total Assets	<u>\$ 28,884,484</u>	<u>\$ 34,396,093</u>	<u>\$ 36,765,239</u>	<u>\$ 38,326,989</u>	<u>\$ 41,621,052</u>
Liabilities & Fund Balance					
Accounts Payable	\$ 216,535	\$ 578,648	\$ 833,274	\$ 1,463,624	\$ 957,709
Deferred Revenues					
Property Taxes	15,138,046	15,691,708	16,087,246	16,333,702	16,290,898
All Other Liabilities	684,281	904,794	1,160,368	1,130,692	1,314,878
Fund Balance:					
Nonspendable	337,165	204,023	188,247	261,219	220,065
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	12,508,457	17,016,920	18,496,104	19,137,752	22,837,502
Total Fund Balance	<u>\$ 12,845,622</u>	<u>\$ 17,220,943</u>	<u>\$ 18,684,351</u>	<u>\$ 19,398,971</u>	<u>\$ 23,057,567</u>
Total Liabilities & Fund Balance	<u>\$ 28,884,484</u>	<u>\$ 34,396,093</u>	<u>\$ 36,765,239</u>	<u>\$ 38,326,989</u>	<u>\$ 41,621,052</u>

Fiscal Year Ended December 31, 2018

					Revenue			
					Revenue Incl. Transfers		Over	
	2014	2015	2016	2017	Property Tax	Total	(Under) Expenditures	Fund Balance
Governmental Fund Types (2):								
General Fund *	\$ 12,845,622	\$ 17,220,943	\$ 18,684,351	19,398,971	\$ 16,368,958	\$ 58,966,725	\$ 3,658,596	\$ 23,057,567
Special Revenue Funds:								
Motor Fuel Tax	\$ 1,397,365	\$ 1,927,676	\$ 2,465,482	2,744,472	\$ -	\$ 1,429,563	\$ (313,337)	\$ 2,431,135
Community Development Block Grant	-	-	-	-	-	387,846	-	-
Refuse Disposal *	1,652,809	1,191,201	1,363,621	1,442,645	-	4,407,105	(121,891)	1,320,754
Asset Seizure	83,675	92,655	173,079	172,908	-	11,283	(31,653)	141,255
DEA shared Funds	19,938	19,951	20,013	20,194	-	114	114	20,308
DUI Fines	101,080	124,735	121,449	140,928	-	21,976	(3,555)	137,373
Foreign Fire Tax Fund	287,977	302,729	341,678	352,423	-	82,028	45,808	398,231
Business District Fund	-	-	-	-	-	1,571,930	-	-
Police & Fire Building Construction	-	-	-	-	-	33,527,683	31,720,180	31,720,180
Prospect/Main TIF	-	-	(687,995)	3,945,027	469,613	7,566,720	(3,246,097)	698,930
Total Special Revenue	3,542,844	3,658,947	3,797,327	8,818,597	\$ 469,613	\$ 49,006,248	28,049,569	36,868,166
Debt Service *	131,635	154,206	168,152	184,195	2,390,000	13,110,709	3,966,311	4,150,506
Capital Projects (3)	17,785,571	4,738,536	3,224,446	3,579,214	-	6,560,635	1,998,547	5,577,761
Total Governmental	\$ 34,305,672	\$ 25,772,632	\$ 25,874,276	31,980,977	\$ 19,228,571	\$ 127,644,317	\$ 37,673,023	\$ 69,654,000
Proprietary & Fiduciary Fund Types								
Enterprise Funds (4):								
Water and Sewer *	34,240,404	41,273,710	40,610,650	41,327,962	\$ -	\$ 14,498,866	\$ (1,170,553)	40,157,409
Village Parking System	349,414	643,238	588,378	704,700	-	347,912	21,253	725,953
Internal Service Funds (5)	15,797,609	17,537,531	19,174,062	19,736,825	-	12,946,604	1,378,787	21,115,612
Pension Trust Funds:								
Police Pension	58,819,925	58,500,040	61,976,686	71,069,062	-	5,209,659	(4,694,954)	66,374,108
Firefighter's Pension	56,568,339	56,856,702	58,344,829	66,265,340	-	4,718,413	(3,866,810)	62,398,530
Total Proprietary & Fiduciary	\$ 165,775,691	\$ 174,811,221	\$ 180,694,605	\$ 199,141,779	\$ -	\$ 37,721,454	\$ (8,332,277)	\$ 190,771,612
Total All Funds (Memo Only)	\$ 200,081,363	\$ 200,583,853	\$ 206,568,881	\$ 231,122,756	\$ 19,228,571	\$ 165,365,771	\$ 29,340,746	\$ 260,425,612

* Designated as major funds.

	2014	2015	2016	2017	2018
Cash & Investments at 12/31 (6):					
General Fund	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092	\$ 14,814,727	\$ 16,672,691
Internal Service Funds	10,476,211	11,551,998	13,177,384	12,210,417	11,769,387
Refuse Disposal	1,365,133	844,053	960,475	1,054,842	949,936
Police & Fire Building Construction	-	-	-	-	31,708,378
Other Special Revenue Funds	2,716,735	3,541,745	4,399,893	8,748,239	4,554,717
Debt Service Funds	130,210	138,721	167,652	162,895	4,100,470
Subtotal	\$ 21,567,541	\$ 27,086,291	\$ 30,597,496	\$ 36,991,120	\$ 69,755,579
Capital Project Funds	16,290,597	5,442,661	2,794,596	3,209,472	5,949,833
Water & Sewer	4,697,147	3,185,314	3,179,625	7,577,274	12,425,604
Other Enterprise Funds	300,258	488,612	428,260	531,623	578,367
Pension Trust Funds	115,091,487	115,116,154	119,963,475	137,068,690	128,571,320
Other Fiduciary Funds	1,209,488	1,136,998	1,368,315	1,126,624	1,115,737
Total	\$ 159,156,518	\$ 152,456,030	\$ 158,331,767	\$ 186,504,803	\$ 218,396,440

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 13,129,128	Land	\$ 17,551,172
Construction in Progress	<u>\$ 7,027,926</u>	Construction in Progress	<u>\$ 1,582,725</u>
Total Assets Not Being Depreciated	<u>\$ 20,157,054</u>	Total Assets Not Being Depreciated	<u>\$ 19,133,897</u>
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	<u>102,072,046</u>	Infrastructure	<u>30,471,983</u>
Total Capital Assets Being Depreciated	<u>\$ 141,286,817</u>	Total Capital Assets Being Depreciated	<u>\$ 39,989,759</u>
Less Accumulated Depreciation	<u>\$ 93,026,937</u>	Less Accumulated Depreciation	<u>\$ 21,535,629</u>
Total Capital Assets Being Depreciated, Net	\$ 48,259,880	Total Capital Assets Being Depreciated, Net	\$ 18,454,130
Net Assets	\$ 68,416,934	Net Assets	\$ 37,588,027