

# VILLAGE OF MOUNT PROSPECT ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2014

Prepared by: Finance Department

David O. Erb  
Finance Director

Lynn M. Jarog  
Deputy Finance Director

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# **INTRODUCTORY**

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**PRINCIPAL OFFICIALS**

December 31, 2014

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**LEGISLATIVE**

Arlene A. Juracek, Mayor

Paul Wm. Hoefert

Steven S. Polit

A. John Korn

Richard F. Rogers

John J. Matuszak

Michael A. Zadel

**ADMINISTRATIVE**

Michael E. Janonis, Village Manager

David Strahl, Assistant Village Manager

David O. Erb, Finance Director/Treasurer

William J. Cooney, Jr., Director of Community Development

Julie K. Kane, Director of Human Services

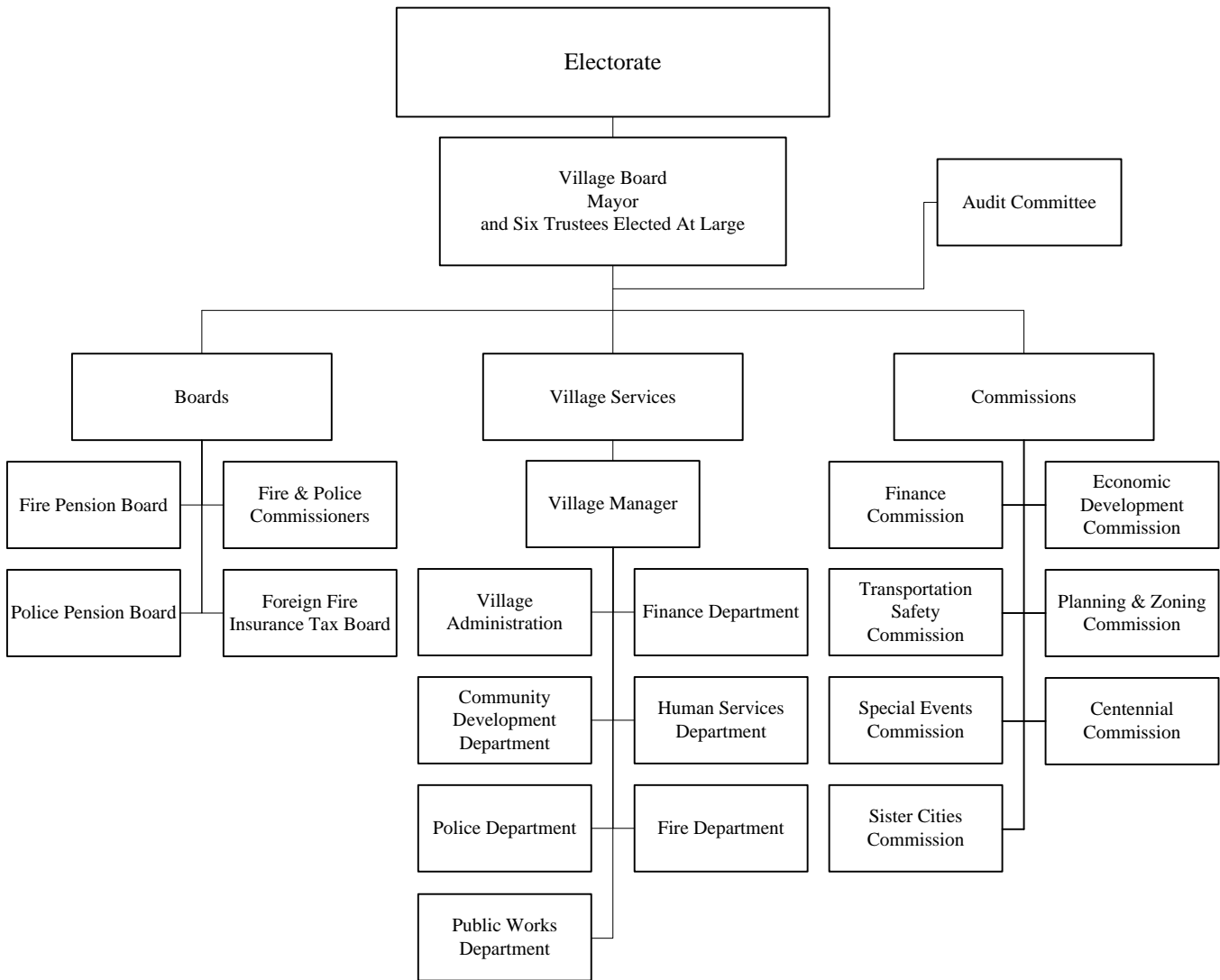
John Malcolm, Fire Chief

Timothy Janowick, Police Chief

Sean P. Dorsey, Director of Public Works

M. Lisa Angell, Village Clerk

# VILLAGE OF MOUNT PROSPECT ORGANIZATIONAL STRUCTURE



**MAYOR**  
Arlene A. Juracek

**TRUSTEES**  
Paul Wm. Hoefert  
John J. Matuszak  
Steven S. Polit  
Richard F. Rogers  
Colleen E. Saccotelli  
Michael A. Zadel



**ACTING VILLAGE  
MANAGER**  
David Strahl

**VILLAGE CLERK**  
M. Lisa Angell

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# Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 10, 2015

The Honorable Arlene A. Juracek, Village President  
Members of the Board of Trustees  
Acting Village Manager David Strahl, 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, 2014 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, 2014, 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, 2014 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 10.3 square miles and a population of 54,167.

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 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-August 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 September. Initial budget requests are compiled by the end of September. A proposed budget is prepared and delivered to the Village Board and Finance Commission in early October. 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 meetings are held with the Finance Commission along with hearings before the Village Board at two (2) Committee of the Whole meetings in late October and early November. 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, 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 the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. Also included in this section are any other major activities of note that occurred during the year. The most significant of these projects and activities are discussed below:

- *ECONOMIC DEVELOPMENT* continues to see significant activity in the community. CVS/Caremark won an Eddie Award for being one of the top 6 economic development projects in the State for their new facility. Randhurst continues to see new tenants locate within the shopping center with Nothing Bundt Cakes, Naf Naf Grill, Maurices, Famous Footwear, Massage Envy, Orange Fitness Theory, and Truco Taqueria all announcing or opening retail locations. Elsewhere along Rand Road Fresh Thyme opened its first Illinois store in April, Menards started construction on the expansion of their existing facility, and Mount Prospect Plaza received zoning approval to add additional retail space to the center. Anytime Fitness and the Village Inn Pizzeria opened new locations at the northeast corner of Euclid and Wolf. In the Downtown area, activity remains robust with both Starbucks and Subway relocating, completion of Founders Row, construction of brownstones at 701 E Prospect, and the redevelopment of the Tri-State Electronics parcel. A 92-unit senior independent living facility was opened by Alden in September fulfilling a long stated need of the community for additional senior housing facilities. Additionally, staff has had preliminary discussions on the potential redevelopment of the Golf Plaza II shopping center.
- The *POLICE DEPARTMENT* continued meeting its mission of providing quality law enforcement services to our citizens with pride, integrity, and professionalism. The Department saw significant staffing changes in 2014 with the retirements of the Police Chief, a Deputy Chief, a Commander, a Sergeant, and two Patrol Officers. The Department's succession plan worked seamlessly with the promotion of a new Chief of Police, two Deputy Chiefs, a Commander, three Sergeants, and the hiring of six new Patrol Officers.

The Department continued to focus on the career development of its personnel, providing core law enforcement training to line officers, cutting-edge training in specialized areas such as crisis interventions, and advanced management training for the Department's leadership team. The Crime Prevention Unit expanded the Department's presence on social media, actively disseminating Department information on Facebook, Twitter, and YouTube. The Department re-established its Citizen's Police Academy, providing residents with information about Department operations. Through intensified enforcement efforts, public education, and comprehensive investigative techniques, the Department continued to reduce the number of Part I and Part II crimes committed in the Village.

- The *FIRE DEPARTMENT* updated and reorganized all of its web pages on the Village website in 2014 and conducted a new hire test to ensure the Department has a list of qualified candidates when the current list expires in January 2015. The EMS Coordinator developed a comprehensive Health Insurance Portability and Accountability Act (HIPAA) Plan covering all Fire Department employees. Staff in all divisions also received HIPAA training, to ensure compliance with new regulations. The Department's Apparatus Committee was busy from March until August developing specifications for a new fire engine, which will be placed in service at Station 12 early next year. In June, the Department was notified that it was awarded a grant from the Firehouse Subs Public Safety Foundation for approximately \$22,000 to provide an Automatic External Defibrillators (AED) to all faith-based organization locations within the Village.
- The *HUMAN SERVICES DEPARTMENT* saw significant staffing changes in 2014. The Department Director retired after twenty-nine years of service and was replaced by an internal promotion. The Department also filled a Police Counseling position and an Intake Coordinator/Receptionist position. A new method of recording and tracking department service statistics was developed and implemented. Various Department staff members received training in crisis intervention, domestic violence, adult protective services and FOID mental health reporting. The Medical Reserve Corps was awarded the Ambassador's Award for their public health initiatives. The Community Connections Center received Community Development Block Grant funding which is utilized to provide programming to low and moderate income families.
- The Village Board addressed shortfalls in the *STREET IMPROVEMENT PROGRAM* by approving a \$6.5 million bond sale to fund the resurfacing of 13.3 miles of backlog streets. The bond sale in conjunction with the street funding plan approved in 2013 allowed the Village to complete the resurfacing of all 13.3 miles of backlog streets and complete the annual street program for a total of 18.9 miles of resurfaced streets.
- One of the Village's most prominent landmarks, the *ELEVATED WATER TANK*, received maintenance and new paint in 2014. Last painted in 1993, the elevated tank, with a capacity of one million gallons, received a new painted surface inside and out that included a new fanciful script lettering of "Village of Mount Prospect, Incorporated in 1917."
- The Village completed the second year of an eight year program to rehabilitate each of the eight *SANITARY SEWER RELIEF STATIONS* located along Weller Creek. The relief stations are used to provide relief to the Village sanitary sewer system when (MWRDGC)-Metropolitan Water Reclamation District of Greater Chicago interceptor sewers become surcharged. In 2014, George Street South relief station was replaced with a new pump station including the installation of new pumps, guide rails and controllers, along with all associated wiring and other electrical control equipment. The total project cost is projected to be approximately \$185,000.
- 2014 saw the completion of the tenth year of a 10-year commitment to rehabilitate approximately 260,000 LF of *COMBINED SEWER MAINS* ranging in size from 8" to 72" diameter. With the \$5 a month customer charge Sewer Construction fee due to expire at the end of 2015, focus was turned to reevaluating the remaining Category 1-3 pipe that has not been rehabilitated. Approximately 190,000 lineal feet of pipe was televised and assessed with recommendations for future rehabilitation to be presented to the Village Board in spring 2015. In total, during the first nine years of this program, 76,891 linear of feet of pipe has been repaired using cured-in-place pipe (CIPP) technology and 1,460 linear feet of pipe has been replaced. One hundred percent of all Category 4 and 5 defects and 30% of category 3 defects have been repaired to date. Total water and sewer funds expended during 2014 are projected to be approximately \$800,000.



- The Village completed engineering design services for Phase II of the *FLOOD CONTROL PROJECTS* that were identified by a comprehensive flood study that grew out of the 2011 flooding events. Phase II (Isabella Sewer) improvements to be constructed in 2015 will include the installation of large diameter relief sewer with the intended benefit of providing properties protection up to a 25 year rain event level. Phase II improvements are funded through a \$10 million bond sale in 2013.
- 2014 was another devastating year for the Village's *URBAN FOREST*. A myriad of threats continued to converge during the year resulting in a dramatic number of parkway tree removals. During the year, 1,200 Village-owned trees were lost to Dutch Elm Disease, Elm Yellows, Emerald Ash Borer, other diseases, and natural decline. Historically, only about 400 trees are lost in a typical year. Through efficient utilization of resources and tight fiscal management, the Village has been able to keep pace with the increased volume of removals. In addition, due to the availability of Village funds and low market prices, the Village was able to plant 900 replacement trees – one of our largest plantings ever. In addition to fighting the advancement of EAB, the Village was hit by a severe thunderstorm on the afternoon of September 5. The storm featured winds in excess of 50 mph. Public Works crews spent a week of 12-hour days clearing debris and performing house-to-house collection of limbs and brush in the wake of the storm.
- *SEVERE WEATHER* did once again visit the Village by way of a record setting winter season that saw the Village receive over 70 inches of snow making the 2013/2014 winter season rank third in terms of amount of snow received (Winters of 1977/78 and 1978/79 rank one and two, respectively). In addition to the significant snow totals, the Chicago Metropolitan area also endured record cold with the Village recording over 30 days in which temperatures fell below 0 degrees. The combination of record snowfall and the “Polar Vortex” was an unprecedented combination of weather. The Public Works Department applied record amounts of road salt and super mix anti-icing liquid during the winter season; applying approximately 6,000 tons of salt and 50,000 gallons of super mix anti-icing agent to roadways during the winter season. The effects of the 2013/14 winter season did not end in the spring with regional salt stores depleted the Village faces a 44% increase in salt prices and potential shortages of salt through the impending winter season.
- The roads were not alone in bearing the brunt of the severe winter weather. At approximately 11:30 PM on January 7, 2014, a *FIRE SPRINKLER HEAD* installed above the ceiling adjacent to the west wall of the Executive Conference Room on the third floor of the Village Hall broke due to exposure to extreme cold weather. The sprinkler head was installed near the exterior envelope of the building and was particularly susceptible to the cold weather and wind gusts.

The break subsequently triggered activation of the fire pump resulting in a prolonged pressurized water discharge that inundated the Executive Conference Room, adjacent hallway, and a portion of the Village Board Room. Water from the sprinkler system also traveled down the west stairwell and through floor joints to damage office spaces, storage rooms, and hallways on the second floor (Human Services Department) and the first floor (Finance Department). Water also reached the bottom of the west stairwell and caused limited damage to the carpeting in the Information Technology Division main office space. Total cost to repair the damage was \$171,343.47 with insurance covering \$128,664.43.

### **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 continued to see a strengthening in the housing market and economy in general during 2014. 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, 2014 were \$13,285,441 compared to \$12,342,154 for the previous year, an increase of 7.6%. The increase from the prior year is due to strong growth in the drug and miscellaneous retail and manufacturer categories. Since the Village's portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$1.3 billion for 2014. The Village projects that this revenue source will increase 1.0% - 3.0% during 2015 and 2016. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will grow over the next few years.

Mount Prospect's average unemployment during 2014 was 5.5%. This was a decrease from the prior year of 120 basis points (6.7% in 2013). Similar improvement in the unemployment rate was seen at the state and national level as well. The unemployment rate for the State of Illinois decreased 210 basis points from 9.2% to 7.1% during the same period while the rate for U.S. decreased 80 basis points from 7.4% to 6.2%. Mount Prospect's median family income, \$67,823 as of the 2010 Census (using 5-year estimates), was 26% higher than the median for Cook County (\$53,942) and 22% higher than the median for the State of Illinois (\$55,735).

In a suburban setting where it is often difficult to distinguish the boundaries of one community from a neighboring community, the economic activity of the "region" is a major influence on the economies of the individual communities. The Village of Mount Prospect is located on the eastern edge of the "Golden Corridor" which extends along Interstate 90 from O'Hare Airport to Elgin, a stretch of approximately 25 miles. Along this corridor can be found the corporate headquarters of such corporations as Sears and Motorola. 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 were held in 2004, 2005 and 2007 - 2014. During the 2014 workshop, financial status reports were provided for end-of-year results for 2013, updated projections for 2014 and a revised forecast for 2015.

Another tool in managing the long-range finances of the Village is the Five-Year Capital Improvement Plan. This plan outlines the major capital expenditure/project initiatives of the Village over the next five years and identifies funding sources. Over the next five years (2015-2019), the Village has identified \$64.3 million in water and sewer, flood control, street, public building, equipment and other miscellaneous capital projects.

**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, 2013. 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, 2014 and ending December 31, 2014. 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 2015 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, Tricia Farkas, Accounting Supervisor and Accountants Nancy Warnock and Daxa Patel who contributed greatly to its preparation. Additionally, I would like to acknowledge the Mayor, the Board of Trustees, the Finance Commission and the Acting Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



David O. Erb  
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Mount Prospect  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

**FINANCIAL**



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## **INDEPENDENT AUDITOR'S REPORT**

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

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, 2014, and the related notes to 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. 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, 2014, 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 the GASB Statement No 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. 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, statistical section, and supplemental data 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 and statistical sections and supplemental data 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.

Naperville, Illinois  
June 5, 2015

*Sibich LLP*



**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

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

For Fiscal Year Ended December 31, 2014

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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 4-6) 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 page 4 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 5-6) 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 7-12) 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.)

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 13-16) 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 9 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 (which is the Village's bottom line) as of December 31, 2014 was \$74.6 million. This was a decrease in net position of \$4.9 million from 2013. Net position of the Village's governmental activities was \$40.0 million, a decrease of \$5.1 million. The Village's unrestricted net position for governmental activities, the part that can be used to finance day-to-day operations, reflects a deficit of \$10.4 million.

Table 1 reflects the condensed Statement of Net Position. For more detailed information see the Statement of Net Position found on page 4. 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, 2014 (in millions)

|  | <u>Governmental<br/>Activities</u> |                 | <u>Business-type<br/>Activities</u> |                | <u>Total</u>    |                 |
|--|------------------------------------|-----------------|-------------------------------------|----------------|-----------------|-----------------|
|  | <u>2014</u>                        | <u>2013</u>     | <u>2014</u>                         | <u>2013</u>    | <u>2014</u>     | <u>2013</u>     |
| Current and other assets/deferred outflows | \$ 79.3                            | \$ 65.4         | \$ 9.0                              | \$ 9.1         | \$ 88.3         | \$ 74.5         |
| Capital assets                             | 70.4                               | 73.8            | 26.9                                | 26.4           | 97.3            | 100.2           |
| Total assets/deferred outflows             | <u>\$ 149.7</u>                    | <u>\$ 139.2</u> | <u>\$ 35.9</u>                      | <u>\$ 35.5</u> | <u>\$ 185.6</u> | <u>\$ 174.7</u> |
| Current liabilities/deferred inflows       | \$ 21.7                            | \$ 25.6         | \$ 1.0                              | \$ 0.9         | \$ 22.7         | \$ 26.5         |
| Noncurrent liabilities                     | 88.0                               | 68.5            | 0.3                                 | 0.2            | 88.3            | 68.7            |
| Total liabilities                          | <u>\$ 109.7</u>                    | <u>\$ 94.1</u>  | <u>\$ 1.3</u>                       | <u>\$ 1.1</u>  | <u>\$ 111.0</u> | <u>\$ 95.2</u>  |
| Net Position                               |                                    |                 |                                     |                |                 |                 |
| Net investment in capital assets           | \$ 46.3                            | \$ 48.2         | \$ 26.9                             | \$ 26.4        | \$ 73.2         | \$ 74.6         |
| Restricted net position                    | 4.1                                | 3.0             | -                                   | -              | 4.1             | 3.0             |
| Unrestricted net position                  | (10.4)                             | (6.1)           | 7.7                                 | 8.0            | (2.7)           | 1.9             |
| Total net position                         | <u>\$ 40.0</u>                     | <u>\$ 45.1</u>  | <u>\$ 34.6</u>                      | <u>\$ 34.4</u> | <u>\$ 74.6</u>  | <u>\$ 79.5</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 nonborrowed 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.

**Current Year Impacts**

Governmental activities net position decreased \$5.1 million while the business-type activities net position increased by \$0.2 million. The governmental activities total assets increased by \$10.5 million and the governmental activities total liabilities/deferred inflows increased by \$15.6 million. The total assets increase of \$10.5 million in governmental activities was the result of an increase of \$13.9 million in current and other assets and a decrease of \$3.4 million in capital assets. The \$13.9 million increase in current assets was due to an increase in due from other governments of \$12.0 million, an increase in insurance deposits of \$1.0 million, an increase in cash and investments of \$0.8 million, and an increase in other assets of \$0.1 million. Amounts due from the Mount Prospect Public Library related to their outstanding debt accounted for almost the entire increase in due from other governments; accumulated depreciation accounted for the decrease in capital assets. The total net position increase of \$0.2 million in business-type activities was primarily due to an increase in capital assets of \$0.5 million, a reduction in cash and investments of \$0.1 million and an increase in both current and noncurrent liabilities of \$0.1 million each.

(See independent auditor's report.)

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

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The increase in total liabilities of \$15.6 million for the governmental activities was primarily due to an increase in non-current liabilities of \$19.5 million. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities increased from \$1.1 million to \$1.3 million. This was due to an increase in the accounts payable category.

**Changes in Net Position**

The Village's combined change in net position for the primary government in 2014 was a decrease of \$4.9 million versus a decrease of \$1.5 million in 2013. Activities for the governmental activities saw a decrease in net position of \$5.1 million from 2013, while activities for the business-type funds saw an increase in net position of \$0.2 million from 2013. 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, 2014 (in millions)

|                         | Governmental<br>Activities |              | Business-type<br>Activities |                | Total           |                 |
|-------------------------|----------------------------|--------------|-----------------------------|----------------|-----------------|-----------------|
|                         | <u>2014</u>                | <u>2013</u>  | <u>2014</u>                 | <u>2013</u>    | <u>2014</u>     | <u>2013</u>     |
| Revenues                |                            |              |                             |                |                 |                 |
| Program revenues        |                            |              |                             |                |                 |                 |
| Charges for service     | \$ 10.4                    | 8.8          | \$ 12.2                     | \$ 11.7        | \$ 22.6         | \$ 20.5         |
| Operating grants        | 2.2                        | 2.4          | -                           | -              | 2.2             | 2.4             |
| Capital grants          | 0.2                        | 0.3          | 0.4                         | -              | 0.6             | 0.3             |
| General revenues        |                            |              |                             |                |                 |                 |
| Property taxes          | 19.7                       | 18.9         | 1.5                         | 1.5            | 21.2            | 20.4            |
| Business district taxes | 0.3                        | 0.3          | -                           | -              | 0.3             | 0.3             |
| Sales taxes             | 19.6                       | 18.3         | 0.1                         | 0.1            | 19.7            | 18.4            |
| Income taxes            | 5.2                        | 5.2          | -                           | -              | 5.2             | 5.2             |
| Utility taxes           | 4.1                        | 3.9          | -                           | -              | 4.1             | 3.9             |
| Other taxes             | 3.9                        | 3.4          | -                           | -              | 3.9             | 3.4             |
| Investment income       | (0.1)                      | 0.1          | -                           | -              | (0.1)           | 0.1             |
| Contributions           | -                          | -            | -                           | -              | -               | -               |
| Other                   | <u>0.1</u>                 | <u>0.4</u>   | <u>0.1</u>                  | <u>0.1</u>     | <u>0.2</u>      | <u>0.5</u>      |
| Total revenue           | \$ 65.6                    | 62.0         | \$ 14.3                     | \$ 13.4        | \$ 79.9         | \$ 75.4         |
| Expenses                |                            |              |                             |                |                 |                 |
| General government      | \$ 10.2                    | 7.4          | \$ -                        | \$ -           | \$ 10.2         | \$ 7.4          |
| Public safety           | 30.8                       | 29.8         | -                           | -              | 30.8            | 29.8            |
| Highways and streets    | 19.9                       | 18.6         | -                           | -              | 19.9            | 18.6            |
| Health                  | 4.6                        | 4.5          | -                           | -              | 4.6             | 4.5             |
| Welfare                 | 1.9                        | 1.9          | -                           | -              | 1.9             | 1.9             |
| Culture and recreation  | 0.4                        | 0.4          | -                           | -              | 0.4             | 0.4             |
| Interest                | 2.9                        | 1.9          | -                           | -              | 2.9             | 1.9             |
| Water and sewer         | -                          | -            | 13.8                        | 12.1           | 13.8            | 12.1            |
| Parking                 | -                          | -            | 0.3                         | 0.3            | 0.3             | 0.3             |
| Total expenses          | <u>\$ 70.7</u>             | <u>64.5</u>  | <u>\$ 14.1</u>              | <u>\$ 12.4</u> | <u>\$ 84.8</u>  | <u>\$ 76.9</u>  |
| Change in net position  | <u>\$ (5.1)</u>            | <u>(2.5)</u> | <u>\$ 0.2</u>               | <u>\$ 1.0</u>  | <u>\$ (4.9)</u> | <u>\$ (1.5)</u> |

(Note: There will 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 2014 were \$65.6 million.

Property taxes are the largest revenue source for governmental activities accounting for \$19.7 million or an increase of \$0.8 million from the prior year. This revenue has historically been the most stable source for the Village. Sales tax was the second highest revenue source with \$19.6 million in revenue. This was an increase of \$1.3 million from the prior year. The increase was due primarily to the gradual improving 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. There was an increase of \$1.6 million in charges for service. Utility taxes and other taxes increased a collective \$0.7 million from the prior year.

(See independent auditor's report.)

***Governmental Activities (cont.)***

Expenses:

Total expenses for the Village's Governmental Activities for 2014 were \$70.7 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2014 were \$30.8 million, an increase of \$1.0 million from 2013. 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 \$19.9 million an increase of \$1.3 million from the prior year. The increase is primarily due to expenses related to capital projects. There was also an increase in General Government expenses of \$2.8 million due primarily to a reclassification of capital outlay.

***Business-Type Activities***

Revenues:

Total revenues for the Village's Business-Type Activities for 2014 were \$14.3 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service accounts for almost the entire amount of revenue for business-type activities. Of the \$12.2 million generated in 2014, \$9.1 million is from water sales, \$2.7 million is from sewer fees and charges, \$0.2 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2013, water sales accounted for \$8.5 million and sewer fees were \$2.8 million. The Water and Sewer Fund also receives special service area taxes in the amount of \$1.5 million. This amount is unchanged from the prior year. These taxes support the delivery of Lake Michigan Water to Village residents that are connected to the Village's water system.

Expenses:

Total expenses for the Village's Business-Type Activities for 2014 were \$14.1 million.

Of the total expenses for business-type activities, \$13.8 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$6.0 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 \$12.1 million in expenses for 2013, \$5.3 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 \$1.0 million in 2014 from \$11.9 million to \$12.9 million. In 2014, General Fund revenues came in slightly below the final budget by \$0.1 million while expenditures and net transfers came in \$1.1 million under budget. The final Village budget had anticipated no change in the General Fund fund balance.

While intergovernmental revenues came in at the final budget, sales taxes came in \$0.3 million above the final budget. No other significant deviations from the final budget were seen in revenues during 2014. Revenue came in above original budget by \$1.5 million. Actual receipts for the sales tax were \$2.0 million above the original budget while miscellaneous revenue came in \$0.5 million below the original budget.

(See independent auditor's report.)



**General Fund Budgeting Highlights**

During 2014, the Village amended the budget three (3) 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 85.

Table 3  
General Fund Budgetary Changes  
Calendar Year 2014 (in millions)

|   | Original<br><u>Budget</u> | Revised<br><u>Budget</u> | <u>Actual</u>     |
|---|---------------------------|--------------------------|-------------------|
| <b>Revenues and Other Financing Sources</b> |                           |                          |                   |
| Taxes                                       | \$ 22.2                   | \$ 22.0                  | \$ 22.0           |
| Intergovernmental                           | 17.9                      | 19.9                     | 19.9              |
| Other                                       | <u>5.7</u>                | <u>5.5</u>               | <u>5.4</u>        |
| Total Revenues                              | \$ 45.8                   | \$ 47.4                  | \$ 47.3           |
| <b>Expenditures and Transfers</b>           |                           |                          |                   |
| Expenditures                                | \$ 45.8                   | \$ 47.4                  | \$ 46.3           |
| Net Transfers                               | <u>-</u>                  | <u>-</u>                 | <u>-</u>          |
| Total Expenditures and Transfers            | \$ <u>45.8</u>            | \$ <u>47.4</u>           | \$ <u>46.3</u>    |
| <br>Change in Fund Balance                  | <br><u>\$ -</u>           | <br><u>\$ -</u>          | <br><u>\$ 1.0</u> |

**Other Major Funds**

There are four (4) other Major Funds for Fiscal Year ended December 31, 2014. These four Funds are 1) Refuse Disposal Fund, 2) Debt Service Fund, 3) Flood Control Construction Fund, and 4) Street Improvement Construction Fund.

**Refuse Disposal Fund** – This Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2014 were \$3.6 million, a decrease of \$0.8 million from the prior year. Almost the entire amount of revenue received during 2014 were due to charges for service. Total expenditures for 2014 were \$4.4 million, a slight increase of \$0.1 million from the prior year. Ending fund balance fell \$0.8 million to \$1.6 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 2014 were \$4.9 million, an increase of \$2.5 million from the prior year. Of this total revenue amount, \$2.2 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 \$1.1 million is from other taxes. Total expenditures for 2014 were \$4.9 million, an increase of \$2.5 from the prior year. Ending fund balance was unchanged at \$0.1 million.

**Flood Control Fund** – This Fund is used to account for the resources directed towards implementing flood control projects throughout the village. Total revenues for 2014 were \$0.3 million. Total expenditures for 2014 were \$0.6 million. Ending fund balance is \$11.4 million. Flood control projects planned for 2015 are expected to draw down the entire amount of fund balance.

(See independent auditor’s report.)

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

**Other Major Funds (cont.)**

**Street Construction Fund** – This Fund is used to account for the resources directed towards street improvement projects throughout the village. Total revenues for 2014 of \$3.3 million consisted of \$2.1 million in other taxes, \$1.0 million in licenses with the balance coming from various other revenues. Total expenditures for 2014 were \$7.8 million. Ending fund balance increased \$2.1 million to \$2.9 million.

**Capital Assets**

At the end of 2014, the Village had a combined total of \$97.3 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<br/>Activities</u> |                | <u>Business-type<br/>Activities</u> |                | <u>Total Primary<br/>Government</u> |                 |
|-------------------------------|------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|-----------------|
|                               | <u>2014</u>                        | <u>2013</u>    | <u>2014</u>                         | <u>2013</u>    | <u>2014</u>                         | <u>2013</u>     |
| Land (including right-of-way) | \$ 10.3                            | \$ 10.3        | \$ 17.6                             | \$ 17.6        | \$ 27.9                             | \$ 27.9         |
| Construction in Progress      | 1.2                                | 0.6            | 0.6                                 | 0.2            | 1.8                                 | 0.8             |
| Buildings & Improvements      | 29.3                               | 30.0           | 2.1                                 | 2.0            | 31.4                                | 32.0            |
| Vehicles                      | 3.7                                | 3.8            | -                                   | -              | 3.7                                 | 3.8             |
| Machinery & Equipment         | 0.5                                | 0.6            | 1.2                                 | 0.9            | 1.7                                 | 1.5             |
| Infrastructure                | <u>25.4</u>                        | <u>28.5</u>    | <u>5.4</u>                          | <u>5.6</u>     | <u>30.8</u>                         | <u>34.1</u>     |
| Total Capital Assets          | <u>\$ 70.4</u>                     | <u>\$ 73.8</u> | <u>\$ 26.9</u>                      | <u>\$ 26.3</u> | <u>\$ 97.3</u>                      | <u>\$ 100.1</u> |

This amount represents a net decrease (including additions and deletions) of \$2.8 million from 2013.

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(See independent auditor's report.)

Table 5  
Change in Capital Assets (in millions)

|                   | <u>Governmental</u><br><u>Activities</u> | <u>Business-type</u><br><u>Activities</u> | <u>Total</u>   |
|-------------------|--|---|----------------|
| Beginning Balance | \$ 73.8                                  | \$ 26.3                                   | \$ 100.1       |
| Additions         |  |   |                |
| Depreciable       | 0.7                                      | 0.6                                       | 1.3            |
| Non-Depreciable   | 0.8                                      | 0.6                                       | 1.4            |
| Retirements       |  |   |                |
| Depreciable       | (0.7)                                    | -   | (0.7)          |
| Non-Depreciable   | (0.2)                                    | (0.2)                                     | (0.4)          |
| Depreciation      | (4.6)                                    | (0.4)                                     | (5.0)          |
| Retirement        | <u>0.6</u>                               | <u>-</u>                                  | <u>0.6</u>     |
| Ending Balance    | <u>\$ 70.4</u>                           | <u>\$ 26.9</u>                            | <u>\$ 97.3</u> |

Table 5 above shows the change in capital assets during 2014. This year's major additions to the capital assets include the following (in millions):

**Governmental Activities**

Vehicles for Public Safety, Public Works and Village Fleet - \$0.7  
Various construction projects in-progress - \$0.8

**Business-Type Activities**

No significant additions to capital assets during 2014.

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 32.

**Debt Outstanding**

The Village of Mount Prospect had total long-term debt and loans payable of \$88.3 million as of December 31, 2014. Long-term debt is comprised of general obligation debt, compensated absences to employees, net pension obligation and other post-employment benefits (OPEB), and loans payable. During the year, \$7.4 million of general obligation debt and notes payable were issued while compensated absences and other pension and post-employment benefits increased \$1.1 million. Decreases in long term debt include the retirement of \$2.4 million in general obligation debt, \$0.7 million reduction in compensated absences and \$0.6 million in notes and loan contracts.

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

More detailed information on long-term debt activity can be found in Note 6 of the notes to the financial statements beginning on page 39.

(See independent auditor's report.)

### **Economic Factor's and Next Year's Budget**

The General Fund, the Village's main operating fund, ended with a surplus for calendar year 2014. The \$1.0 million surplus maintains the fund balance above the 25% benchmark set by the Village Board. Total village revenues for 2014 continue to see positive increases from the prior year. Deliberate budgetary measures involving both revenues and expenditures 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 2015 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 2014 was 5.5%. This is below the state and national unemployment rate of 7.1% and 6.2% respectively. The Village's unemployment rate decreased 120 basis points from the prior year.

The 2015 Budget represents a 3.6% decrease from the amended 2014 Budget and totals \$116.0 million. The General Fund increased \$1.0 million, or 2.2% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 3.5% and totals \$64.6 million. The Operating Budget includes all General Fund expenditures as well as refuse disposal, water and sewer service, and various special revenue activities.

### **Request for Information**

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2014

|  | Primary Government      |                          | Total                |
|--|-------------------------|--------------------------|----------------------|
|  | Governmental Activities | Business-Type Activities |                      |
| <b>ASSETS</b>  |                         |                          |                      |
| Cash and investments   | \$ 37,858,138           | \$ 4,997,405             | \$ 42,855,543        |
| Receivables, net of allowance where applicable                     |                         |                          |                      |
| Property taxes   | 17,405,706              | 1,517,036                | 18,922,742           |
| Other taxes  | 6,966,200               | 35,319                   | 7,001,519            |
| Utility customers  | -                       | 1,284,463                | 1,284,463            |
| Miscellaneous  | 909,468                 | 5,230                    | 914,698              |
| Prepaid expenses   | 378,834                 | 160,445                  | 539,279              |
| Inventory  | 498,793                 | 492,632                  | 991,425              |
| Due from other governments   | 12,883,503              | 682                      | 12,884,185           |
| Internal balances  | 154,882                 | (154,882)                | -                    |
| Deposits - insurance   | 1,599,995               | -                        | 1,599,995            |
| Deposits with joint venture  | -                       | 665,077                  | 665,077              |
| Net pension asset  | 448,716                 | -                        | 448,716              |
| Capital assets not being depreciated                               | 11,468,262              | 18,156,454               | 29,624,716           |
| Capital assets being depreciated (net of accumulated depreciation) | 58,933,996              | 8,698,513                | 67,632,509           |
| Total assets   | 149,506,493             | 35,858,374               | 185,364,867          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              |                         |                          |                      |
| Unamortized loss on refunding                                      | 243,321                 | -                        | 243,321              |
| Total deferred outflows of resources                               | 243,321                 | -                        | 243,321              |
| <b>LIABILITIES</b>   |                         |                          |                      |
| Accounts payable   | 1,631,143               | 891,846                  | 2,522,989            |
| Accrued payroll  | 436,332                 | 33,558                   | 469,890              |
| Accrued interest payable   | 150,173                 | -                        | 150,173              |
| Retainage payable  | 19,442                  | 30,167                   | 49,609               |
| Claims payable   | 929,486                 | -                        | 929,486              |
| Other payables   | 96,036                  | -                        | 96,036               |
| Due to fiduciary funds   | 104,147                 | -                        | 104,147              |
| Unearned revenue   | 923,721                 | 53,212                   | 976,933              |
| Due to other governments   | 132                     | -                        | 132                  |
| Noncurrent liabilities   |                         |                          |                      |
| Due within one year  | 3,741,866               | 45,500                   | 3,787,366            |
| Due in more than one year  | 84,262,549              | 214,273                  | 84,476,822           |
| Total liabilities  | 92,295,027              | 1,268,556                | 93,563,583           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                         |                          |                      |
| Deferred revenue   | 17,383,255              | -                        | 17,383,255           |
| Total deferred inflows of resources                                | 17,383,255              | -                        | 17,383,255           |
| <b>NET POSITION</b>  |                         |                          |                      |
| Net investment in capital assets                                   | 46,326,047              | 26,854,967               | 73,181,014           |
| Restricted for   |                         |                          |                      |
| Highways and streets   | 1,397,365               | -                        | 1,397,365            |
| Public safety - police   | 204,693                 | -                        | 204,693              |
| Public safety - fire   | 282,774                 | -                        | 282,774              |
| Economic development   | 655,404                 | -                        | 655,404              |
| Debt service   | 130,078                 | -                        | 130,078              |
| Refuse disposal  | 1,516,191               | -                        | 1,516,191            |
| Unrestricted   | (10,441,020)            | 7,734,851                | (2,706,169)          |
| <b>TOTAL NET POSITION</b>  | <b>\$ 40,071,532</b>    | <b>\$ 34,589,818</b>     | <b>\$ 74,661,350</b> |

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

|                                 | Expenses             | Program Revenues     |                                    |                                  |
|---------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                 |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>FUNCTIONS/PROGRAMS</b>       |                      |                      |                                    |                                  |
| <b>PRIMARY GOVERNMENT</b>       |                      |                      |                                    |                                  |
| Governmental Activities         |                      |                      |                                    |                                  |
| General government              | \$ 10,171,883        | \$ 7,785,745         | \$ -                               | \$ 140,181                       |
| Public safety                   | 30,812,251           | 1,712,860            | 31,391                             | -                                |
| Highways and streets            | 19,923,120           | 414,316              | 1,849,655                          | -                                |
| Health                          | 4,591,946            | -                    | -                                  | -                                |
| Welfare                         | 1,844,911            | 42,069               | 284,158                            | -                                |
| Culture and recreation          | 425,217              | 473,026              | -                                  | -                                |
| Interest                        | 2,899,466            | -                    | 43,832                             | -                                |
| Total governmental activities   | 70,668,794           | 10,428,016           | 2,209,036                          | 140,181                          |
| Business-Type Activities        |                      |                      |                                    |                                  |
| Water and sewer                 | 13,779,500           | 11,970,681           | -                                  | 373,498                          |
| Parking                         | 329,988              | 254,784              | -                                  | -                                |
| Total business-type activities  | 14,109,488           | 12,225,465           | -                                  | 373,498                          |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 84,778,282</b> | <b>\$ 22,653,481</b> | <b>\$ 2,209,036</b>                | <b>\$ 513,679</b>                |

|                                   | <b>Net (Expense) Revenue and Change in Net Position</b> |                                     |                |
|-----------------------------------|---|-------------------------------------|----------------|
|                                   | <b>Primary Government</b>                               |                                     |                |
|                                   | <b>Governmental<br/>Activities</b>                      | <b>Business-Type<br/>Activities</b> | <b>Total</b>   |
|                                   | \$ (2,245,957)  | \$ -                                | \$ (2,245,957) |
|                                   | (29,068,000)  | -                                   | (29,068,000)   |
|                                   | (17,659,149)  | -                                   | (17,659,149)   |
|                                   | (4,591,946)   | -                                   | (4,591,946)    |
|                                   | (1,518,684)   | -                                   | (1,518,684)    |
|                                   | 47,809  | -                                   | 47,809         |
|                                   | (2,855,634)   | -                                   | (2,855,634)    |
|                                   | (57,891,561)  | -                                   | (57,891,561)   |
|                                   | -   | (1,435,321)                         | (1,435,321)    |
|                                   | -   | (75,204)                            | (75,204)       |
|                                   | -   | (1,510,525)                         | (1,510,525)    |
|                                   | (57,891,561)  | (1,510,525)                         | (59,402,086)   |
| General Revenues                  |   |                                     |                |
| Taxes                             |   |                                     |                |
| Property                          | 19,745,699  | 1,508,704                           | 21,254,403     |
| Utility                           | 4,093,596   | -                                   | 4,093,596      |
| Business district                 | 331,933   | -                                   | 331,933        |
| Home rule sales                   | 5,320,795   | 100,697                             | 5,421,492      |
| Food and beverage                 | 1,096,795   | -                                   | 1,096,795      |
| Real estate transfer              | 954,644   | -                                   | 954,644        |
| Municipal motor fuel              | 699,499   | -                                   | 699,499        |
| Hotel/motel                       | 469,607   | -                                   | 469,607        |
| Other                             | 201,059   | -                                   | 201,059        |
| Intergovernmental - unrestricted  |   |                                     |                |
| State sales and use tax           | 14,310,773  | -                                   | 14,310,773     |
| Income tax                        | 5,186,155   | -                                   | 5,186,155      |
| Replacement tax                   | 407,764   | -                                   | 407,764        |
| Charitable games tax              | 4,812   | -                                   | 4,812          |
| Investment income                 | (46,496)  | 3,189                               | (43,307)       |
| Miscellaneous                     | 47,636  | 77,468                              | 125,104        |
| Total                             | 52,824,271  | 1,690,058                           | 54,514,329     |
| CHANGE IN NET POSITION            | (5,067,290)   | 179,533                             | (4,887,757)    |
| NET POSITION, JANUARY 1           | 75,352,589  | 34,410,285                          | 109,762,874    |
| Prior period adjustment           | (30,213,767)  | -                                   | (30,213,767)   |
| NET POSITION, JANUARY 1, RESTATED | 45,138,822  | 34,410,285                          | 79,549,107     |
| NET POSITION, DECEMBER 31         | \$ 40,071,532   | \$ 34,589,818                       | \$ 74,661,350  |

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2014

|  | <b>General</b>       | <b>Refuse<br/>Disposal</b> | <b>Debt<br/>Service</b> | <b>Flood<br/>Control<br/>Construction</b> | <b>Street<br/>Improvement<br/>Construction</b> | <b>Nonmajor</b>     | <b>Total</b>         |
|--|----------------------|----------------------------|-------------------------|---|--|---------------------|----------------------|
| <b>ASSETS</b>  |                      |                            |                         |   |  |                     |                      |
| Cash and investments   | \$ 6,879,252         | \$ 1,365,133               | \$ 130,210              | \$ 11,442,751                             | \$ 2,376,051                                   | \$ 5,188,530        | \$ 27,381,927        |
| Receivables (net, where applicable,<br>of allowances for uncollectibles) |                      |                            |                         |   |  |                     |                      |
| Property taxes   | 15,160,497           | -                          | 2,245,209               | -   | -  | -                   | 17,405,706           |
| Other taxes  | 5,747,674            | -                          | -                       | 9,373                                     | 535,134  | 674,019             | 6,966,200            |
| Other  | 468,180              | 371,236                    | -                       | -   | -  | 68,094              | 907,510              |
| Due from other funds   | 154,882              | -                          | -                       | -   | -  | -                   | 154,882              |
| Due from other governments   | 136,834              | -                          | 11,435,000              | -   | 23,750   | 1,276,480           | 12,872,064           |
| Inventories  | 176,001              | 31,851                     | -                       | -   | -  | -                   | 207,852              |
| Prepaid items  | 161,164              | 104,767                    | 1,557                   | -   | -  | 9,237               | 276,725              |
| <b>TOTAL ASSETS</b>  | <b>\$ 28,884,484</b> | <b>\$ 1,872,987</b>        | <b>\$ 13,811,976</b>    | <b>\$ 11,452,124</b>                      | <b>\$ 2,934,935</b>                            | <b>\$ 7,216,360</b> | <b>\$ 66,172,866</b> |



|  | General       | Refuse Disposal | Debt Service  | Flood Control Construction | Street Improvement Construction | Nonmajor     | Total         |
|--|---------------|-----------------|---------------|----------------------------|---------------------------------|--------------|---------------|
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |               |                 |               |                            |                                 |              |               |
| <b>LIABILITIES</b>   |               |                 |               |                            |                                 |              |               |
| Accounts payable   | \$ 216,535    | \$ 215,453      | \$ -          | \$ -                       | \$ 1,097                        | \$ 1,139,741 | \$ 1,572,826  |
| Accrued payroll  | 414,913       | 4,725           | -             | -                          | -                               | 778          | 420,416       |
| Retainage payable  | 6,824         | -               | -             | -                          | 5,118                           | 7,500        | 19,442        |
| Other payables   | 8,255         | -               | -             | -                          | -                               | -            | 8,255         |
| Unearned revenue   | 150,142       | -               | -             | 25,000                     | -                               | 748,579      | 923,721       |
| Due to other governments   | -             | -               | 132           | -                          | -                               | -            | 132           |
| Due to fiduciary funds   | 104,147       | -               | -             | -                          | -                               | -            | 104,147       |
| Total liabilities  | 900,816       | 220,178         | 132           | 25,000                     | 6,215                           | 1,896,598    | 3,048,939     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |               |                 |               |                            |                                 |              |               |
| Unavailable revenue - property taxes                                       | 15,138,046    | -               | 2,245,209     | -                          | -                               | -            | 17,383,255    |
| Unavailable revenue - other  | -             | -               | 11,435,000    | -                          | -                               | -            | 11,435,000    |
| Total deferred inflows of resources  | 15,138,046    | -               | 13,680,209    | -                          | -                               | -            | 28,818,255    |
| Total liabilities and deferred inflows of resources                        | 16,038,862    | 220,178         | 13,680,341    | 25,000                     | 6,215                           | 1,896,598    | 31,867,194    |
| <b>FUND BALANCES</b>   |               |                 |               |                            |                                 |              |               |
| Nonspendable   |               |                 |               |                            |                                 |              |               |
| Inventory  | 176,001       | 31,851          | -             | -                          | -                               | -            | 207,852       |
| Prepaid items  | 161,164       | 104,767         | 1,557         | -                          | -                               | 9,237        | 276,725       |
| Restricted   |               |                 |               |                            |                                 |              |               |
| Highways and streets   | -             | -               | -             | -                          | -                               | 1,397,365    | 1,397,365     |
| Public safety - police   | -             | -               | -             | -                          | -                               | 204,693      | 204,693       |
| Public safety - fire   | -             | -               | -             | -                          | -                               | 282,774      | 282,774       |
| Economic development   | -             | -               | -             | -                          | -                               | 655,404      | 655,404       |
| Debt service   | -             | -               | 130,078       | -                          | -                               | -            | 130,078       |
| Refuse disposal  | -             | 1,516,191       | -             | -                          | -                               | -            | 1,516,191     |
| Capital projects   | -             | -               | -             | 9,755,292                  | -                               | -            | 9,755,292     |
| Unrestricted   |               |                 |               |                            |                                 |              |               |
| Assigned   |               |                 |               |                            |                                 |              |               |
| Capital projects   | -             | -               | -             | 1,671,832                  | 2,928,720                       | 2,771,078    | 7,371,630     |
| Unassigned   | 12,508,457    | -               | -             | -                          | -                               | (789)        | 12,507,668    |
| Total fund balances  | 12,845,622    | 1,652,809       | 131,635       | 11,427,124                 | 2,928,720                       | 5,319,762    | 34,305,672    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |               |                 |               |                            |                                 |              |               |
|  | \$ 28,884,484 | \$ 1,872,987    | \$ 13,811,976 | \$ 11,452,124              | \$ 2,934,935                    | \$ 7,216,360 | \$ 66,172,866 |

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, 2014

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|  |                             |
|--|-----------------------------|
| <b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>   | <b>\$ 34,305,672</b>        |
| 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  | 70,402,258                  |
| Less internal service funds included below   | (4,546,016)                 |
| The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds  | 448,716                     |
| Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds   | (150,173)                   |
| 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   | (48,075,000)                |
| Loan contracts payable   | (721,927)                   |
| Installment notes payable  | (2,340,000)                 |
| Business district limited tax note payable   | (31,514,427)                |
| Compensated absences payable   | (3,335,452)                 |
| Net pension obligation   | (628,724)                   |
| Unamortized bond premium   | (358,628)                   |
| Unamortized loss on refunding  | 243,321                     |
| Net other postemployment benefits obligation   | (890,697)                   |
| Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds | 11,435,000                  |
| The net position of the internal service funds are included in the governmental activities in the statement of net position  | <u>15,797,609</u>           |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>   | <b><u>\$ 40,071,532</u></b> |

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, 2014

|  | <b>General</b>    | <b>Refuse<br/>Disposal</b> | <b>Debt<br/>Service</b> | <b>Flood<br/>Control<br/>Construction</b> | <b>Street<br/>Improvement<br/>Construction</b> | <b>Nonmajor</b>  | <b>Total</b>       |
|--|-------------------|----------------------------|-------------------------|---|--|------------------|--------------------|
| <b>REVENUES</b>  |                   |                            |                         |   |  |                  |                    |
| Property taxes   | \$ 14,392,732     | \$ 342,000                 | \$ 2,237,000            | \$ -                                      | \$ -   | \$ 2,311,740     | \$ 19,283,472      |
| Other taxes  | 7,534,342         | -                          | 1,056,532               | 298,841                                   | 2,054,872                                      | 2,336,565        | 13,281,152         |
| Licenses, permits, and fees                                  | 2,496,760         | -                          | -                       | -   | 1,019,322                                      | -                | 3,516,082          |
| Intergovernmental  | 20,017,840        | -                          | 1,618,709               | -   | -  | 2,278,425        | 23,914,974         |
| Charges for services   | 1,928,223         | 3,292,507                  | -                       | -   | -  | -                | 5,220,730          |
| Fines and forfeits   | 470,466           | -                          | -                       | -   | 117,500  | -                | 587,966            |
| Investment income  | (64,978)          | 604                        | 96                      | 12,273                                    | 4,349  | 1,161            | (46,495)           |
| Miscellaneous  | 512,500           | 11,022                     | 112                     | -   | 103,821  | 356,168          | 983,623            |
| <b>Total revenues</b>  | <b>47,287,885</b> | <b>3,646,133</b>           | <b>4,912,449</b>        | <b>311,114</b>                            | <b>3,299,864</b>                               | <b>7,284,059</b> | <b>66,741,504</b>  |
| <b>EXPENDITURES</b>  |                   |                            |                         |   |  |                  |                    |
| Current  |                   |                            |                         |   |  |                  |                    |
| General government   | 6,035,582         | -                          | -                       | -   | -  | 1,014,436        | 7,050,018          |
| Public safety  | 30,626,597        | -                          | -                       | -   | -  | 80,088           | 30,706,685         |
| Highways and streets   | 7,500,480         | -                          | -                       | -   | -  | 791,218          | 8,291,698          |
| Health   | 151,586           | 4,438,441                  | -                       | -   | -  | -                | 4,590,027          |
| Welfare  | 1,585,083         | -                          | -                       | -   | -  | 280,182          | 1,865,265          |
| Culture and recreation                                       | 421,517           | -                          | -                       | -   | -  | -                | 421,517            |
| Capital outlay   | -                 | -                          | -                       | 556,308                                   | 7,822,793                                      | 3,696,359        | 12,075,460         |
| Debt service   |                   |                            |                         |   |  |                  |                    |
| Principal retirement   | -                 | -                          | 2,987,587               | -   | -  | -                | 2,987,587          |
| Interest and fiscal charges                                  | -                 | -                          | 1,914,718               | -   | -  | -                | 1,914,718          |
| <b>Total expenditures</b>                                    | <b>46,320,845</b> | <b>4,438,441</b>           | <b>4,902,305</b>        | <b>556,308</b>                            | <b>7,822,793</b>                               | <b>5,862,283</b> | <b>69,902,975</b>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>967,040</b>    | <b>(792,308)</b>           | <b>10,144</b>           | <b>(245,194)</b>                          | <b>(4,522,929)</b>                             | <b>1,421,776</b> | <b>(3,161,471)</b> |

|                                       | <b>General</b>       | <b>Refuse<br/>Disposal</b> | <b>Debt<br/>Service</b> | <b>Flood<br/>Control<br/>Construction</b> | <b>Street<br/>Improvement<br/>Construction</b> | <b>Nonmajor</b>     | <b>Total</b>         |
|---------------------------------------|----------------------|----------------------------|-------------------------|---|--|---------------------|----------------------|
| <b>OTHER FINANCING SOURCES (USES)</b> |                      |                            |                         |   |  |                     |                      |
| Bonds issued                          | \$ -                 | \$ -                       | \$ -                    | \$ -                                      | \$ 6,290,000                                   | \$ -                | \$ 6,290,000         |
| Premium on bonds issued               | -                    | -                          | -                       | -   | 294,697  | -                   | 294,697              |
| Total other financing sources (uses)  | -                    | -                          | -                       | -   | 6,584,697                                      | -                   | 6,584,697            |
| NET CHANGE IN FUND BALANCES           | 967,040              | (792,308)                  | 10,144                  | (245,194)                                 | 2,061,768                                      | 1,421,776           | 3,423,226            |
| FUND BALANCES, JANUARY 1              | 11,878,582           | 2,445,117                  | 121,491                 | 11,672,318                                | 866,952  | 3,897,986           | 30,882,446           |
| <b>FUND BALANCES, DECEMBER 31</b>     | <b>\$ 12,845,622</b> | <b>\$ 1,652,809</b>        | <b>\$ 131,635</b>       | <b>\$ 11,427,124</b>                      | <b>\$ 2,928,720</b>                            | <b>\$ 5,319,762</b> | <b>\$ 34,305,672</b> |

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, 2014

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|   |                              |
|---|------------------------------|
| <b>NET CHANGE IN FUND BALANCES -<br/>TOTAL GOVERNMENTAL FUNDS</b>   | <b>\$ 3,423,226</b>          |
| 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  | 106,246                      |
| The loss on disposal of capital assets is shown as an increase of expense on the statement of activities  | (686)                        |
| The issuance of long-term debt and related costs are shown on the financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements |                              |
| Issuance of bonds   | (6,290,000)                  |
| Premium on issuance of bonds  | (294,697)                    |
| 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   | (3,996,643)                  |
| 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   | 2,987,587                    |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds   |                              |
| Increase in accrued interest payable  | (990,030)                    |
| Amortization of accounting loss on refunding  | (30,415)                     |
| Amortization of premium   | 35,697                       |
| Increase in compensated absences  | 231,423                      |
| Increase in net pension obligation  | (15,275)                     |
| Increase in net pension asset   | 11,379                       |
| Increase in net other postemployment benefits obligation  | (315,412)                    |
| Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received   | (1,140,000)                  |
| The change in net position of the internal service funds is reported with governmental activities   | <u>1,210,310</u>             |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <b><u>\$ (5,067,290)</u></b> |

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2014

|  | Business-Type Activities |                   |                      | Governmental         |
|--|--------------------------|-------------------|----------------------|----------------------|
|  | Water                    | Nonmajor          | Total                | Internal             |
|  | and<br>Sewer             | Enterprise        |                      | Service              |
| <b>CURRENT ASSETS</b>                        |                          |                   |                      |                      |
| Cash and investments                         | \$ 4,697,147             | \$ 300,258        | \$ 4,997,405         | \$ 10,476,211        |
| Receivables                                  |                          |                   |                      |                      |
| Property taxes                               | 1,517,036                | -                 | 1,517,036            | -                    |
| Accounts - billed                            | 568,043                  | -                 | 568,043              | -                    |
| Accounts - unbilled                          | 716,420                  | -                 | 716,420              | -                    |
| Other taxes                                  | -                        | 35,319            | 35,319               | -                    |
| Other  | 5,230                    | -                 | 5,230                | 1,958                |
| Inventories                                  | 492,632                  | -                 | 492,632              | 290,941              |
| Prepaid expenses                             | 159,856                  | 589               | 160,445              | 102,109              |
| Due from other governments                   | 682                      | -                 | 682                  | 11,439               |
| <b>Total current assets</b>                  | <b>8,157,046</b>         | <b>336,166</b>    | <b>8,493,212</b>     | <b>10,882,658</b>    |
| <b>NONCURRENT ASSETS</b>                     |                          |                   |                      |                      |
| Deposits - insurance                         | -                        | -                 | -                    | 1,599,995            |
| Deposit with joint venture                   | 665,077                  | -                 | 665,077              | -                    |
| <b>Subtotal noncurrent assets</b>            | <b>665,077</b>           | <b>-</b>          | <b>665,077</b>       | <b>1,599,995</b>     |
| Capital assets                               |                          |                   |                      |                      |
| Capital assets not being depreciated         | 17,924,100               | 232,354           | 18,156,454           | 768,303              |
| Capital assets being depreciated, cost       | 27,458,078               | 364,800           | 27,822,878           | 11,829,702           |
| Accumulated depreciation                     | (18,759,565)             | (364,800)         | (19,124,365)         | (8,051,989)          |
| <b>Net capital assets</b>                    | <b>26,622,613</b>        | <b>232,354</b>    | <b>26,854,967</b>    | <b>4,546,016</b>     |
| <b>Total noncurrent assets</b>               | <b>27,287,690</b>        | <b>232,354</b>    | <b>27,520,044</b>    | <b>6,146,011</b>     |
| <b>Total assets</b>                          | <b>35,444,736</b>        | <b>568,520</b>    | <b>36,013,256</b>    | <b>17,028,669</b>    |
| <b>CURRENT LIABILITIES</b>                   |                          |                   |                      |                      |
| Accounts payable                             | 887,613                  | 4,233             | 891,846              | 58,317               |
| Accrued payroll                              | 32,237                   | 1,321             | 33,558               | 15,916               |
| Retainage payable                            | 30,167                   | -                 | 30,167               | -                    |
| Claims payable                               | -                        | -                 | -                    | 929,486              |
| Unearned revenue                             | -                        | 53,212            | 53,212               | -                    |
| Due to other funds                           | -                        | 154,882           | 154,882              | -                    |
| Other payables                               | -                        | -                 | -                    | 87,781               |
| Compensated absences payable                 | 44,922                   | 578               | 45,500               | 25,863               |
| <b>Total current liabilities</b>             | <b>994,939</b>           | <b>214,226</b>    | <b>1,209,165</b>     | <b>1,117,363</b>     |
| <b>LONG-TERM LIABILITIES</b>                 |                          |                   |                      |                      |
| Compensated absences payable                 | 179,688                  | 2,311             | 181,999              | 103,450              |
| Net other postemployment benefits obligation | 29,705                   | 2,569             | 32,274               | 10,247               |
| <b>Total long-term liabilities</b>           | <b>209,393</b>           | <b>4,880</b>      | <b>214,273</b>       | <b>113,697</b>       |
| <b>Total liabilities</b>                     | <b>1,204,332</b>         | <b>219,106</b>    | <b>1,423,438</b>     | <b>1,231,060</b>     |
| <b>NET POSITION</b>                          |                          |                   |                      |                      |
| Investment in capital assets                 | 26,622,613               | 232,354           | 26,854,967           | 4,546,016            |
| Unrestricted                                 | 7,617,791                | 117,060           | 7,734,851            | 11,251,593           |
| <b>TOTAL NET POSITION</b>                    | <b>\$ 34,240,404</b>     | <b>\$ 349,414</b> | <b>\$ 34,589,818</b> | <b>\$ 15,797,609</b> |

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, 2014

|  | Business-Type Activities |                        |                      | Governmental         |
|--|--------------------------|------------------------|----------------------|----------------------|
|  | Water<br>and<br>Sewer    | Nonmajor<br>Enterprise | Total                | Internal<br>Service  |
| <b>OPERATING REVENUES</b>                                |                          |                        |                      |                      |
| Charges for services                                     | \$ 11,970,681            | \$ 254,784             | \$ 12,225,465        | \$ 9,985,317         |
| Contributions  | -                        | -                      | -                    | 1,307,936            |
| Miscellaneous  | -                        | -                      | -                    | 32,224               |
| Total operating revenues                                 | 11,970,681               | 254,784                | 12,225,465           | 11,325,477           |
| <b>OPERATING EXPENSES</b>                                |                          |                        |                      |                      |
| Administration and maintenance                           | 13,312,623               | 329,988                | 13,642,611           | 2,578,657            |
| Insurance and claims                                     | -                        | -                      | -                    | 7,020,470            |
| Depreciation   | 466,877                  | -                      | 466,877              | 591,351              |
| Total operating expenses                                 | 13,779,500               | 329,988                | 14,109,488           | 10,190,478           |
| OPERATING INCOME (LOSS)                                  | (1,808,819)              | (75,204)               | (1,884,023)          | 1,134,999            |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                 |                          |                        |                      |                      |
| Property taxes   | 1,508,704                | -                      | 1,508,704            | -                    |
| Home rule sales tax                                      | -                        | 100,697                | 100,697              | -                    |
| Investment income  | 3,100                    | 89                     | 3,189                | 10,277               |
| Other income   | 79,470                   | -                      | 79,470               | -                    |
| Gain (loss) on disposal of capital assets                | (2,002)                  | -                      | (2,002)              | 65,034               |
| Total non-operating revenues (expenses)                  | 1,589,272                | 100,786                | 1,690,058            | 75,311               |
| INCOME (LOSS) BEFORE<br>CAPITAL GRANTS AND CONTRIBUTIONS | (219,547)                | 25,582                 | (193,965)            | 1,210,310            |
| <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>                  | 373,498                  | -                      | 373,498              | -                    |
| CHANGE IN NET POSITION                                   | 153,951                  | 25,582                 | 179,533              | 1,210,310            |
| NET POSITION, JANUARY 1                                  | 34,086,453               | 323,832                | 34,410,285           | 14,587,299           |
| <b>NET POSITION, DECEMBER 31</b>                         | <b>\$ 34,240,404</b>     | <b>\$ 349,414</b>      | <b>\$ 34,589,818</b> | <b>\$ 15,797,609</b> |

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

|   | Business-Type Activities |                        |               | Governmental        |
|---|--------------------------|------------------------|---------------|---------------------|
|   | Water<br>and<br>Sewer    | Nonmajor<br>Enterprise | Total         | Internal<br>Service |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                          |                        |               |                     |
| Receipts from customers and users                                   | \$ 11,856,875            | \$ 284,587             | \$ 12,141,462 | \$ 1,310,560        |
| Receipts from interfund services                                    | -                        | -                      | -             | 9,969,067           |
| Receipts from miscellaneous revenues                                | 81,257                   | -                      | 81,257        | 48,791              |
| Payments to suppliers   | (10,657,488)             | (241,300)              | (10,898,788)  | (9,296,503)         |
| Payments to employees   | (2,884,454)              | (95,616)               | (2,980,070)   | (1,389,379)         |
| Net cash from operating activities                                  | (1,603,810)              | (52,329)               | (1,656,139)   | 642,536             |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                          |                        |               |                     |
| Property taxes  | 1,513,475                | -                      | 1,513,475     | -                   |
| Home rule sales taxes   | -                        | 93,411                 | 93,411        | -                   |
| Interfund transactions  | -                        | (57,721)               | (57,721)      | -                   |
| Net cash from noncapital financing activities                       | 1,513,475                | 35,690                 | 1,549,165     | -                   |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                          |                        |               |                     |
| Proceeds from sale of capital assets                                | -                        | -                      | -             | 122,182             |
| Acquisition of capital assets                                       | (598,059)                | -                      | (598,059)     | (1,129,134)         |
| Net cash from capital and related<br>financing activities           | (598,059)                | -                      | (598,059)     | (1,006,952)         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                          |                        |               |                     |
| Investment income   | 3,100                    | 89                     | 3,189         | 10,277              |
| Net cash from investing activities                                  | 3,100                    | 89                     | 3,189         | 10,277              |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS             | (685,294)                | (16,550)               | (701,844)     | (354,139)           |
| CASH AND CASH EQUIVALENTS,<br>JANUARY 1                             | 5,382,441                | 316,808                | 5,699,249     | 10,830,350          |
| CASH AND CASH EQUIVALENTS,<br>DECEMBER 31                           | \$ 4,697,147             | \$ 300,258             | \$ 4,997,405  | \$ 10,476,211       |

(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, 2014

|  | Business-Type Activities |                        |                       | Governmental         |
|--|--------------------------|------------------------|-----------------------|----------------------|
|  | Water<br>and<br>Sewer    | Nonmajor<br>Enterprise | Total                 | Internal<br>Service  |
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |                          |                        |                       |                      |
| Operating income (loss)  | \$ (1,808,819)           | \$ (75,204)            | \$ (1,884,023)        | \$ 1,134,999         |
| Adjustments to reconcile operating income (loss) to<br>net cash from operating activities            |                          |                        |                       |                      |
| Depreciation   | 466,877                  | -                      | 466,877               | 591,351              |
| Other income   | 79,470                   | -                      | 79,470                | -                    |
| Changes in assets and liabilities  |                          |                        |                       |                      |
| Receivables  | (112,019)                | -                      | (112,019)             | 2,941                |
| Inventories  | (245,128)                | -                      | (245,128)             | 390                  |
| Prepaid expenses   | (151,356)                | (589)                  | (151,945)             | (28,489)             |
| Deposits   | (1,736)                  | -                      | (1,736)               | (1,078,185)          |
| Accounts payable and retainage payable   | 287,120                  | (5,241)                | 281,879               | 27,291               |
| Accrued payroll and compensated absences   | (128,515)                | (1,989)                | (130,504)             | (90,920)             |
| Net other postemployment benefits obligation   | 10,296                   | 891                    | 11,187                | 3,551                |
| Unearned revenues  | -                        | 29,803                 | 29,803                | -                    |
| Claims payable   | -                        | -                      | -                     | 79,607               |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>\$ (1,603,810)</b>    | <b>\$ (52,329)</b>     | <b>\$ (1,656,139)</b> | <b>\$ 642,536</b>    |
| <b>CASH AND INVESTMENTS</b>  |                          |                        |                       |                      |
| Cash and cash equivalents  | \$ 4,697,147             | \$ 300,258             | \$ 4,997,405          | \$ 10,476,211        |
| Investments  | -                        | -                      | -                     | -                    |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b>\$ 4,697,147</b>      | <b>\$ 300,258</b>      | <b>\$ 4,997,405</b>   | <b>\$ 10,476,211</b> |
| <b>NONCASH TRANSACTIONS</b>  |                          |                        |                       |                      |
| Capital Contributions  | \$ 373,498               | \$ -                   | \$ 373,498            | \$ -                 |

See accompanying notes to financial statements.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

December 31, 2014

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|  | <b>Pension<br/>Trust</b>     | <b>Agency</b> |
|--|------------------------------|---------------|
| <b>ASSETS</b>  |                              |               |
| Cash and cash equivalents                                  | \$ 2,290,788                 | \$ 1,209,488  |
| Investments  |                              |               |
| State and local obligations                                | 3,836,892                    | -             |
| U.S. Government and agency obligations                     | 24,494,544                   | -             |
| Corporate bonds and obligations                            | 15,469,079                   | -             |
| Mutual funds   | 69,000,184                   | -             |
| Receivables, net of allowances                             |                              |               |
| Accrued interest   | 237,096                      | -             |
| Prepays  | 2,502                        | -             |
| Due from other funds                                       | 104,147                      | -             |
| Other receiveables   | 309                          | -             |
|  | <hr/>                        | <hr/>         |
| Total assets   | 115,435,541                  | \$ 1,209,488  |
|  | <hr/>                        | <hr/>         |
| <b>LIABILITIES</b>   |                              |               |
| Accounts payable   | 47,277                       | \$ -          |
| Deposits payable   | -                            | 1,209,488     |
| Other liabilities  | -                            | -             |
|  | <hr/>                        | <hr/>         |
| Total liabilities  | 47,277                       | \$ 1,209,488  |
|  | <hr/>                        | <hr/>         |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> | <b><u>\$ 115,388,264</u></b> |               |

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, 2014

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**ADDITIONS**

|                          |              |
|--------------------------|--------------|
| Contributions            |              |
| Employer                 | \$ 5,390,341 |
| Participants             | 1,495,747    |
| Other                    | 50           |
|                          | <hr/>        |
| Total contributions      | 6,886,138    |
|                          | <hr/>        |
| Investment income        |              |
| Interest earned          | 1,439,426    |
| Net change in fair value | 6,557,481    |
| Less investment expenses | (187,793)    |
|                          | <hr/>        |
| Net investment income    | 7,809,114    |
|                          | <hr/>        |
| Total additions          | 14,695,252   |

**DEDUCTIONS**

|                      |           |
|----------------------|-----------|
| Administration       | 123,271   |
| Benefits and refunds | 8,276,108 |
|                      | <hr/>     |
| Total deductions     | 8,399,379 |

NET INCREASE 6,295,873

**NET POSITION HELD IN TRUST  
FOR PENSION BENEFITS**

|             |                            |
|-------------|----------------------------|
| January 1   | <hr/> 109,092,391          |
| December 31 | <hr/> <hr/> \$ 115,388,264 |

See accompanying notes to financial statements.

# VILLAGE OF MOUNT PROSPECT, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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### 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 Statement 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.

**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 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)

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**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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Village reports the following major governmental funds (Continued):

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

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

The Flood Control Construction Fund is used to account for the resources to implement flood control projects throughout the Village.

The Street Improvement Construction Fund is used to account for the resources to reconstruct Village streets.

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 the sewerage treatment plant, 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. The Vehicle Maintenance Fund accounts for the maintenance and repair of all village vehicles except Fire Department vehicles. Financing is being provided by charges to various village funds.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Village reports the following fiduciary funds:

The Village reports Pension Trust Funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. The Village reports the following agency funds: Escrow Deposit, Flexcomp Escrow, and Library Bonds Escrow as fiduciary funds.

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, income 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 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.



**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 unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred revenues arise when property taxes levied are intended to finance the next fiscal year. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are 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 and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of December 31 for debt and equity securities.

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

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**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/Expenses

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

j. Restricted (Noncurrent) Assets

Certain deposits of the Water and Sewer Fund are recorded as restricted assets because their use is restricted by an intergovernmental agreement with the Northwest Suburban Municipal Joint Action Water Agency. Also, certain deposits of the Risk Management Fund are recorded as restricted assets because their use is restricted by an agreement with the various third party administrators.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, 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. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

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 capitalized at estimated fair market value on the date donated.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

l. 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. 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.

n. 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 and gains (losses) on refundings. 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.

o. Property Taxes

Property taxes for 2014 attach as an enforceable lien on January 1, 2014 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, 2015 and August 1, 2015 and are payable in two installments, on or about March 1, 2015 and September 1, 2015. 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 2014 levy is intended to fund the 2015 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

p. 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 financial

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

p. Deferred Outflows/Inflows of Resources (Continued)

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.

q. 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 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, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board. 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. 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 expenditures, the special revenue funds (except the CDBG Fund) should maintain a fund balance level between 10% and 25% of the 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 positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

r. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

The Village 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. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), 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.

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, legality, safety of principal, liquidity, and rate of return.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Village Deposits and Investments (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 105% of the fair market value of the funds secured, with the collateral witnessed by a written collateral agreement and held by an independent third party.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Unless matched to a specific cash flow, maturities should not exceed two years from the date of purchase.

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

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. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

Illinois Metropolitan Investment Fund (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.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Village Deposits and Investments (Continued)

Investments (Continued)

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

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. No financial institution shall hold more than 50% of the Village's investment portfolio, exclusive of any securities held in safekeeping; Illinois Funds shall not exceed 50% of the investment portfolio; and IMET shall not exceed 50% of the investment portfolio. At year end, the Village's investments are in compliance with its investment policy as it relates to concentration risk.

**3. RECEIVABLES**

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

| GOVERNMENTAL ACTIVITIES       |                             |
|-------------------------------|-----------------------------|
| Court fines                   | \$ 20,540                   |
| Mount Prospect Public Library | 11,441,739                  |
| Grants                        | 1,020,285                   |
| TIF surplus                   | 252,075                     |
| Miscellaneous                 | <u>52,234</u>               |
| <b>TOTAL</b>                  | <b><u>\$ 12,786,873</u></b> |

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



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

**3. RECEIVABLES (Continued)**

The annual debt service requirements are as follows:

| Year<br>Ending | Principal            | Interest            |
|----------------|----------------------|---------------------|
| 2015           | \$ 1,155,000         | \$ 413,356          |
| 2016           | 1,280,000            | 392,044             |
| 2017           | 1,360,000            | 358,266             |
| 2018           | 1,410,000            | 305,906             |
| 2019           | 1,465,000            | 250,916             |
| 2020           | 1,525,000            | 193,048             |
| 2021           | 1,585,000            | 132,048             |
| 2022           | 1,655,000            | 67,856              |
| <b>TOTAL</b>   | <b>\$ 11,435,000</b> | <b>\$ 2,113,440</b> |

**4. CAPITAL ASSETS**

Capital asset activity for the Village for the year ended December 31, 2014 was as follows:

|  | Balances<br>January 1 | Additions             | Retirements       | Balances<br>December 31 |
|--|-----------------------|-----------------------|-------------------|-------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                         |                       |                       |                   |                         |
| Capital assets not being depreciated                   |                       |                       |                   |                         |
| Land (including right-of-ways)                         | \$ 10,291,446         | \$ -                  | \$ -              | \$ 10,291,446           |
| Construction in progress                               | 601,934               | 823,457               | 248,575           | 1,176,816               |
| Total capital assets not being depreciated             | 10,893,380            | 823,457               | 248,575           | 11,468,262              |
| Capital assets being depreciated                       |                       |                       |                   |                         |
| Buildings  | 38,009,332            | -                     | -                 | 38,009,332              |
| Improvements other than buildings                      | 384,000               | -                     | -                 | 384,000                 |
| Vehicles   | 11,577,570            | 653,591               | 606,573           | 11,624,588              |
| Machinery and equipment                                | 1,250,776             | -                     | -                 | 1,250,776               |
| Infrastructure   | 88,925,070            | 51,092                | 56,175            | 88,919,987              |
| Total capital assets being depreciated                 | 140,146,748           | 704,683               | 662,748           | 140,188,683             |
| Less accumulated depreciation for                      |                       |                       |                   |                         |
| Buildings  | 8,035,836             | 756,680               | -                 | 8,792,516               |
| Improvements other than buildings                      | 297,600               | 19,200                | -                 | 316,800                 |
| Vehicles   | 7,804,918             | 575,113               | 505,239           | 7,874,792               |
| Machinery and equipment                                | 699,151               | 100,100               | -                 | 799,251                 |
| Infrastructure   | 60,389,919            | 3,136,901             | 55,492            | 63,471,328              |
| Total accumulated depreciation                         | 77,227,424            | 4,587,994             | 560,731           | 81,254,687              |
| Total capital assets being depreciated, net            | 62,919,324            | (3,883,311)           | 102,017           | 58,933,996              |
| <b>GOVERNMENTAL ACTIVITIES<br/>CAPITAL ASSETS, NET</b> | <b>\$ 73,812,704</b>  | <b>\$ (3,059,854)</b> | <b>\$ 350,592</b> | <b>\$ 70,402,258</b>    |

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

**4. CAPITAL ASSETS (Continued)**

|   | Balances<br>January 1 | Additions         | Retirements       | Balances<br>December 31 |
|---|-----------------------|-------------------|-------------------|-------------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                       |                   |                   |                         |
| Capital assets not being depreciated        |                       |                   |                   |                         |
| Land  | \$ 17,551,172         | \$ -              | \$ -              | \$ 17,551,172           |
| Construction in progress                    | 231,018               | 562,782           | 188,518           | 605,282                 |
| Total capital assets not being depreciated  | 17,782,190            | 562,782           | 188,518           | 18,156,454              |
| Capital assets being depreciated            |                       |                   |                   |                         |
| Buildings and improvements                  | 4,694,456             | 181,360           | -                 | 4,875,816               |
| Machinery and equipment                     | 3,646,309             | 415,933           | -                 | 4,062,242               |
| Infrastructure                              | 18,892,491            | -                 | 7,671             | 18,884,820              |
| Total capital assets being depreciated      | 27,233,256            | 597,293           | 7,671             | 27,822,878              |
| Less accumulated depreciation for           |                       |                   |                   |                         |
| Buildings and improvements                  | 2,659,147             | 76,587            | -                 | 2,735,734               |
| Machinery and equipment                     | 2,731,965             | 142,360           | -                 | 2,874,325               |
| Infrastructure                              | 13,272,045            | 247,930           | 5,669             | 13,514,306              |
| Total accumulated depreciation              | 18,663,157            | 466,877           | 5,669             | 19,124,365              |
| Total capital assets being depreciated, net | 8,570,099             | 130,416           | 2,002             | 8,698,513               |
| <b>BUSINESS-TYPE ACTIVITIES</b>             |                       |                   |                   |                         |
| <b>CAPITAL ASSETS, NET</b>                  | <b>\$ 26,352,289</b>  | <b>\$ 693,198</b> | <b>\$ 190,520</b> | <b>\$ 26,854,967</b>    |

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

|                                |                     |
|--------------------------------|---------------------|
| <b>GOVERNMENTAL ACTIVITIES</b> |                     |
| General government             | \$ 418,384          |
| Public safety                  | 676,500             |
| Highways and streets           | 3,483,521           |
| Health and welfare             | 2,349               |
| Culture and recreation         | 7,240               |
| <b>TOTAL</b>                   | <b>\$ 4,587,994</b> |

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

**5. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks along with medical claims for employees and retirees are provided for through a limited self-insurance program. The Village is self-insured for the first \$25,000 for property claims, \$2,000,000 for liability claims, \$2,000,000 for errors and omissions, and \$500,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. The Village's self-insurance activities are reported in the Risk Management Fund which is an internal service fund.

Premiums are paid into the Risk Management Fund by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2014 was \$929,486.

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

|                                     | Auto     | Workers'<br>Compensation | General<br>Liability | Total        |
|-------------------------------------|----------|--------------------------|----------------------|--------------|
| UNPAID CLAIMS,<br>DECEMBER 31, 2012 | \$ 3,500 | \$ 1,242,310             | \$ -                 | \$ 1,245,810 |
| Claims incurred - 2013              | 62,475   | 431,062                  | 15,000               | 508,537      |
| Claims payments - 2013              | (25,673) | (878,795)                | -                    | (904,468)    |
| UNPAID CLAIMS,<br>DECEMBER 31, 2013 | 40,302   | 794,577                  | 15,000               | 849,879      |
| Claims incurred - 2014              | -        | 694,923                  | 739,192              | 1,434,115    |
| Claims payments - 2014              | 40,205   | 668,111                  | 646,192              | 1,354,508    |
| UNPAID CLAIMS,<br>DECEMBER 31, 2014 | \$ 97    | \$ 821,389               | \$ 108,000           | \$ 929,486   |

a. High-Level Excess Liability Pool (HELP)

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 (\$12,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

**5. RISK MANAGEMENT (Continued)**

a. High-Level Excess Liability Pool (HELP) (Continued)

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

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

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

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

b. Intergovernmental Personnel Benefit Cooperative (IPBC)

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.

**5. RISK MANAGEMENT (Continued)**

b. Intergovernmental Personnel Benefit Cooperative (IPBC) (Continued)

IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 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 Mount Prospect Public Library only. In addition, general obligation bonds have been issued to refund general obligation bonds.

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, 2014:

|  | Debt Retired by | Balances January 1, restated | Additions | Reductions | Balances December 31 | Current Portion at December 31 |
|--|-----------------|------------------------------|-----------|------------|----------------------|--------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>   |                 |                              |           |            |                      |                                |
| \$10,000,000 General Obligation Bonds, Series 2006, due in annual installments of \$450,000 to \$1,655,000 plus interest at 3.75% to 4.10% through December 1, 2022.         | Debt Service    | \$ 9,665,000                 | \$ -      | \$ 55,000  | \$ 9,610,000         | \$ 55,000                      |
| \$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    | 9,800,000                    | -         | -          | 9,800,000            | -                              |
| \$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    | 2,635,000                    | -         | 295,000    | 2,340,000            | 305,000                        |
| \$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    | 2,650,000                    | -         | 25,000     | 2,625,000            | 40,000                         |
| \$4,100,000 General Obligation Bonds, Series 2011A, due in annual installments of \$60,000 to \$1,100,000 plus interest at 1.75% through December 1, 2016.                   | Debt Service    | 2,910,000                    | -         | 1,085,000  | 1,825,000            | 1,100,000                      |
| \$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    | 5,015,000                    | -         | 660,000    | 4,355,000            | 680,000                        |
| \$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            | -                              |

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

**6. LONG-TERM DEBT (Continued)**

**d. Changes in Long-Term Liabilities (Continued)**

|  | Debt<br>Retired by | Balances<br>January 1,<br>restated | Additions        | Reductions       | Balances<br>December 31 | Current<br>Portion at<br>December 31 |
|--|--------------------|------------------------------------|------------------|------------------|-------------------------|--------------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>   |                    |                                    |                  |                  |                         |                                      |
| <b>(Continued)</b>   |                    |                                    |                  |                  |                         |                                      |
| \$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       | -                                  | 6,290,000        | 315,000          | 5,975,000               | 290,000                              |
| <b>Total bonds</b>   |                    | <b>44,220,000</b>                  | <b>6,290,000</b> | <b>2,435,000</b> | <b>48,075,000</b>       | <b>2,470,000</b>                     |
| \$3,695,354 IEPA Flood Loan Contract Payable of 1994 (L17-0744), due in semiannual installments of \$126,134 to \$246,050 plus interest at 3.36% through May 1, 2014.      | Debt Service       | 126,134                            | -                | 126,134          | -                       | -                                    |
| \$1,711,672 IEPA Flood Loan Contract Payable of 1994 (L17-0857), due in semiannual installments of \$99,329 to \$117,337 plus interest at 3.36% through December 10, 2014. | Debt Service       | 117,336                            | -                | 117,336          | -                       | -                                    |
| \$1,203,550 IEPA Flood Loan Contract Payable of 1997 (L17-0855), due in semiannual installments of \$62,285 to \$79,035 plus interest at 2.89% through November 1, 2017.   | Debt Service       | 302,979                            | -                | 72,516           | 230,463                 | 74,628                               |
| \$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       | 593,063                            | -                | 101,599          | 491,464                 | 104,285                              |
| <b>Total IEPA flood loan installment notes payable</b>   |                    | <b>1,139,512</b>                   | <b>-</b>         | <b>417,585</b>   | <b>721,927</b>          | <b>178,913</b>                       |
| \$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       | 2,475,000                          | -                | 135,000          | 2,340,000               | 400,000                              |
| <b>Total installment notes payable</b>   |                    | <b>2,475,000</b>                   | <b>-</b>         | <b>135,000</b>   | <b>2,340,000</b>        | <b>400,000</b>                       |

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

**6. LONG-TERM DEBT (Continued)**

**d. Changes in Long-Term Liabilities (Continued)**

|  | Debt<br>Retired by | Balances<br>January 1,<br>restated | Additions    | Reductions | Balances<br>December 31 | Current<br>Portion at<br>December 31 |
|--|--------------------|------------------------------------|--------------|------------|-------------------------|--------------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b><br>(Continued)  |                    |                                    |              |            |                         |                                      |
| \$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  | \$ 30,451,305                      | \$ 1,063,122 | \$ -       | \$ 31,514,427           | \$ -                                 |
| Total Business District limited tax note payable   |                    | 30,451,305                         | 1,063,122    | -          | 31,514,427              | -                                    |

The following is a summary of changes in long-term liabilities during 2014:

|  | Debt<br>Retired by | Balances<br>January 1,<br>restated | Additions           | Reductions          | Balances<br>December 31 | Current<br>Portion at<br>December 31 |
|--|--------------------|------------------------------------|---------------------|---------------------|-------------------------|--------------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>               |                    |                                    |                     |                     |                         |                                      |
| Compensated absences                         | General            | \$ 3,720,228                       | \$ 488,583          | \$ 744,046          | \$ 3,464,765            | \$ 692,953                           |
| Net pension obligation                       | General            | 613,449                            | 15,275              | -                   | 628,724                 | -                                    |
| Net other postemployment benefit obligation  | General            | 581,981                            | 318,963             | -                   | 900,944                 | -                                    |
| General obligation bonds                     | Debt Service       | 44,220,000                         | 6,290,000           | 2,435,000           | 48,075,000              | 2,470,000                            |
| Unamortized bond premium                     |                    | 99,628                             | 294,697             | 35,697              | 358,628                 | -                                    |
| Loan contracts payable                       | Debt Service       | 1,139,512                          | -                   | 417,585             | 721,927                 | 178,913                              |
| Installment notes payable                    | Debt Service       | 2,475,000                          | -                   | 135,000             | 2,340,000               | 400,000                              |
| Business District limited tax note payable   | Business District  | 30,451,305                         | 1,063,122           | -                   | 31,514,427              | -                                    |
| Total governmental activities                |                    | 83,301,103                         | 8,470,640           | 3,767,328           | 88,004,415              | 3,741,866                            |
| <b>BUSINESS-TYPE ACTIVITIES</b>              |                    |                                    |                     |                     |                         |                                      |
| Compensated absences*                        |                    | 231,962                            | 41,929              | 46,392              | 227,499                 | 45,500                               |
| Net other postemployment benefit obligation* |                    | 21,087                             | 11,187              | -                   | 32,274                  | -                                    |
| Total business-type activities               |                    | 253,049                            | 53,116              | 46,392              | 259,773                 | 45,500                               |
| <b>TOTAL</b>                                 |                    | <b>\$ 83,554,152</b>               | <b>\$ 8,523,756</b> | <b>\$ 3,813,720</b> | <b>\$ 88,264,188</b>    | <b>\$ 3,813,229</b>                  |

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



**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<br>Ending<br>December 31, | Governmental Activities  |                      |                        |                  |                           |                  |
|--------------------------------|--------------------------|----------------------|------------------------|------------------|---------------------------|------------------|
|                                | General Obligation Bonds |                      | Loan Contracts Payable |                  | Installment Notes Payable |                  |
|                                | Principal                | Interest             | Principal              | Interest         | Principal                 | Interest         |
| 2015                           | \$ 2,470,000             | \$ 1,756,288         | \$ 178,913             | \$ 18,345        | \$ 400,000                | \$ 21,294        |
| 2016                           | 2,645,000                | 1,700,175            | 183,840                | 13,418           | 415,000                   | 17,654           |
| 2017                           | 2,775,000                | 1,628,342            | 188,903                | 8,355            | 420,000                   | 13,878           |
| 2018                           | 2,975,000                | 1,536,027            | 112,771                | 3,735            | 515,000                   | 10,056           |
| 2019                           | 3,240,000                | 1,434,540            | 57,500                 | 754              | 590,000                   | 5,369            |
| 2020                           | 4,115,000                | 1,322,817            | -                      | -                | -                         | -                |
| 2021                           | 4,510,000                | 1,182,757            | -                      | -                | -                         | -                |
| 2022                           | 4,750,000                | 1,024,459            | -                      | -                | -                         | -                |
| 2023                           | 3,345,000                | 853,368              | -                      | -                | -                         | -                |
| 2024                           | 2,185,000                | 733,870              | -                      | -                | -                         | -                |
| 2025                           | 2,300,000                | 646,470              | -                      | -                | -                         | -                |
| 2026                           | 2,425,000                | 551,170              | -                      | -                | -                         | -                |
| 2027                           | 2,550,000                | 448,920              | -                      | -                | -                         | -                |
| 2028                           | 2,685,000                | 339,982              | -                      | -                | -                         | -                |
| 2029                           | 1,760,000                | 222,807              | -                      | -                | -                         | -                |
| 2030                           | 790,000                  | 134,907              | -                      | -                | -                         | -                |
| 2031                           | 820,000                  | 103,307              | -                      | -                | -                         | -                |
| 2032                           | 850,000                  | 70,507               | -                      | -                | -                         | -                |
| 2033                           | 885,000                  | 36,507               | -                      | -                | -                         | -                |
| <b>TOTAL</b>                   | <b>\$ 48,075,000</b>     | <b>\$ 15,727,220</b> | <b>\$ 721,927</b>      | <b>\$ 44,607</b> | <b>\$ 2,340,000</b>       | <b>\$ 68,251</b> |

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)

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**6. LONG-TERM DEBT (Continued)**

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.

**7. CONTRACTUAL COMMITMENTS**

a. High-Level Excess Liability Pool

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

Future premiums will be calculated using the Village’s allocation percentage. HELP’s agreement provides that each year members will be assessed based on a formula utilizing miles of streets, number of vehicles, operating revenues, and full-time equivalent employees. The Village paid \$79,755 to HELP in 2014. For 2015, the Village estimates it will pay \$82,281.

b. Solid Waste Agency of Northern Cook County (SWANCC)

Annual payments to 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 2015, the Village estimates it will pay SWANCC \$1,210,081, with annual increases ranging from 0% to 3% through 2022.

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

**8. INTERFUND ACTIVITY**

Due From/To Other Funds

| Receivable Fund       | Payable Fund           | Amount                   |
|-----------------------|------------------------|--------------------------|
| General               | Parking System Revenue | \$ 154,882               |
|                       |                        | <u>154,882</u>           |
| Fiduciary             |                        |                          |
| Police Pension        | General                | 56,708                   |
| Firefighters' Pension | General                | 47,439                   |
|                       |                        | <u>104,147</u>           |
| <b>TOTAL</b>          |                        | <b><u>\$ 259,029</u></b> |

The purpose of the significant Due From/To Other Funds is as follows:

- \$154,882 due to the General Fund from Nonmajor Business-Type Funds (Parking System Revenue Fund). The balance represents an operating loan to support operations of the Parking System Revenue Fund. Although the cash shortage continues to be on going, the fund was able to reduce the amount in 2014. Funding alternatives that are being considered include a parking rate increase to eliminate the need for support and address the amount due.
- \$56,708 due to the Police Pension Fund from the General Fund. This was the contributions due for 2014 tax collections received in January and February 2015.
- \$47,439 due to the Fire Pension Fund from the General Fund. This was the contributions due for 2014 tax collections received in January and February 2015.

**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.

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

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**9. CONTINGENT LIABILITIES (Continued)**

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 1616 East Golf Road, Des Plaines, Illinois 60016 or online at [www.swancc.org](http://www.swancc.org).

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

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

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

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**10. JOINT VENTURES (Continued)**

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

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 \$1,235,026 to SWANCC in 2014. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2014.

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

Description of Joint Venture

The Village is a member of JAWA which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate, and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of April 30, 2014 are as follows:

|                              | Percent<br>Share |
|------------------------------|------------------|
|                              | <hr/>            |
| Village of Elk Grove Village | 16.64%           |
| Village of Hanover Park      | 8.87%            |
| Village of Hoffman Estates   | 16.77%           |
| Village of Mount Prospect    | 12.41%           |
| City of Rolling Meadows      | 7.37%            |
| Village of Schaumburg        | 27.21%           |
| Village of Streamwood        | 10.73%           |
|                              | <hr/>            |
| TOTAL                        | 100.00%          |
|                              | <hr/>            |

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.

**10. JOINT VENTURES (Continued)**

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

Description of Joint Venture (Continued)

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, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

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

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

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

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

**10. JOINT VENTURES (Continued)**

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

Description of Joint Venture (Continued)

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 Waterworks and Sewerage 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 \$5,962,704 to JAWA for 2014. Deposits with JAWA in the amount of \$665,077 represent amounts held for security for debt service.

**11. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

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

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

b. Benefits Provided (Continued)

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, 2014, retirees contributed \$848,253.

c. Membership

At December 31, 2012 (latest information available), membership consisted of:

|  |                   |
|--|-------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 84                |
| Active employees   | <u>291</u>        |
| <b>TOTAL</b>   | <b><u>375</u></b> |
| Participating employers  | <u>1</u>          |

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the two preceding years was as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Employer<br>Contributions | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------------|------------------------|---------------------------|--|------------------------|
| 2012                    | \$ 450,309             | \$ 609,856                | 135.43%  | \$ 295,702             |
| 2013                    | 583,180                | 275,814                   | 47.29%   | 603,068                |
| 2014                    | 607,350                | 287,447                   | 47.33%   | 922,971                |



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

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**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The net OPEB obligation as of December 31, 2014 was calculated as follows:

|  |                          |
|--|--------------------------|
| Annual required contribution               | \$ 605,628               |
| Interest on net OPEB obligation            | 21,107                   |
| Adjustment to annual required contribution | <u>(19,385)</u>          |
| Annual OPEB cost                           | 607,350                  |
| Contributions made                         | <u>287,447</u>           |
| Increase in net OPEB obligation            | 319,903                  |
| Net OPEB obligation, beginning of year     | <u>603,068</u>           |
| <b>NET OPEB OBLIGATION, END OF YEAR</b>    | <u><u>\$ 922,971</u></u> |

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of December 31, 2012 (latest information available) was as follows:

|   |               |
|---|---------------|
| Actuarial accrued liability (AAL)                 | \$ 7,201,300  |
| Actuarial value of plan assets                    | -             |
| Unfunded actuarial accrued liability (UAAL)       | 7,201,300     |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00%         |
| Covered payroll (active plan members)             | \$ 24,540,441 |
| UAAL as a percentage of covered payroll           | 29.34%        |

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

**11. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

In the December 31, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return and an initial healthcare cost trend rate of 8.8% with an ultimate healthcare inflation rate of 5%. Both rates include a 3% inflation assumption and 4% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

**12. EMPLOYEE RETIREMENT SYSTEMS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes (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.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2014 was 12.15%.

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, 2014, the Police Pension Plan membership consisted of:

|  |                          |
|--|--------------------------|
| Inactive plan members currently receiving benefits               | 71                       |
| Inactive plan members entitled to but not yet receiving benefits | 3                        |
| Active plan members  | <u>82</u>                |
| <b>TOTAL</b>   | <b><u><u>156</u></u></b> |

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 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.

Tier 2 employees (those hired on or after January 1, 2012) 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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 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 1<sup>st</sup> 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 proceeding calendar year.

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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. For the year ended December 31, 2014, the Village's contribution was 37.26% of covered payroll.

*Investment Policy*

The Police Pension Fund's investment policy authorizes the Police Pension 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 that maintains a \$1 per share value which is equal to the participants fair value), 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. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, risk aversion, rate of return, and liquidity.

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

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

| Asset Class                 | Target | Long-Term Expected<br>Real Rate of Return |
|-----------------------------|--------|---|
| Fixed Income                | 45.0%  | 2.1%                                      |
| Large Cap Domestic Equities | 38.5%  | 6.9%                                      |
| Small Cap Domestic Equities | 11.0%  | 8.5%                                      |
| International Equities      | 5.5%   | 7.6%                                      |

Asset class returns are from *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar* for the period of December 31, 1925 through December 31, 2013. The international equity equals the MSCI EAFE Index for the period December 31, 1976 through December 31, 2013. Long-term returns for asset classes are calculated on a geometric mean basis.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for insurance contracts.

*Investment Concentrations*

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Police Pension Fund, shall hold more than 10% of the Police Pension Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Police Pension 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, 2014, there were no significant investments (other than U.S. Government guaranteed obligations or mutual funds) in any one organization that represent 5% or more of the Police Pension Fund's investments.

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.92%. 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 Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

*Interest Rate Risk*

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2014:

| Investment Type                      | Fair Value           | Investment Maturities (in Years) |                     |                     |                     |
|--------------------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
|                                      |                      | Less than 1                      | 1-5                 | 6-10                | Greater than 10     |
| U.S. Treasuries                      | \$ 3,751,878         | \$ 333,030                       | \$ 2,602,174        | \$ 716,835          | \$ 99,839           |
| U.S. agencies                        | 8,862,377            | 136,536                          | 780,705             | 601,279             | 7,343,857           |
| State, local, and<br>municipal bonds | 2,530,858            | -                                | 668,004             | 267,865             | 1,594,989           |
| Corporate bonds                      | 8,004,178            | 809,898                          | 3,775,978           | 2,988,583           | 429,719             |
| <b>TOTAL</b>                         | <b>\$ 23,149,291</b> | <b>\$ 1,279,464</b>              | <b>\$ 7,826,861</b> | <b>\$ 4,574,562</b> | <b>\$ 9,468,404</b> |

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

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The U.S. Treasuries and agencies, money market mutual funds, and Illinois Funds are rated AAA. The state, local, and municipal bonds are rated A3 to AAA. The corporate bonds are rated BAA3 to AAA.

*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 Police Pension 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 Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian and evidenced by safekeeping receipts. Illinois Funds and money market mutual funds are not subject to custodial credit risk.

*Net Pension Liability*

The components of the net pension liability of the Police Pension Plan as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

|   |    |            |
|---|----|------------|
| Total pension liability   | \$ | 98,409,322 |
| Plan fiduciary net position   |    | 58,819,925 |
| Village's net pension liability   |    | 39,589,397 |
| Plan fiduciary net position as a percentage<br>of the total pension liability |    | 59.8%      |

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 Police Pension Fund.



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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

|                            |                      |
|----------------------------|----------------------|
| Actuarial valuation date   | December 31,<br>2014 |
| Actuarial cost method      | Entry-age normal     |
| Assumptions                |                      |
| Inflation                  | 3.00%                |
| Salary increases           | 5.00%                |
| Discount rate              | 7.50%                |
| Cost of living adjustments | 3.00%                |
| Asset valuation method     | Market               |

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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 Police Pension 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.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

|                       | 1% Decrease<br>(6.5%) | Current Discount<br>Rate<br>(7.5%) | 1% Increase<br>(8.5%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability | \$ 52,446,370         | \$ 39,589,397                      | \$ 28,947,095         |

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 police employees.

*Plan Membership*

At December 31, 2014, the Firefighters' Pension Plan membership consisted of:

|  |                          |
|--|--------------------------|
| Inactive plan members currently receiving benefits               | 75                       |
| Inactive plan members entitled to but not yet receiving benefits | -                        |
| Active plan members  | <u>67</u>                |
| <b>TOTAL</b>   | <b><u><u>142</u></u></b> |

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 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.

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. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 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 1<sup>st</sup> 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.

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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 services costs for the Firefighters' Pension Plan. For the year ended December 31, 2014, the Village's contribution was 37.97% of covered payroll.

*Investment Policy*

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension 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 that maintains a \$1 per share value which is equal to the participants fair value), 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. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Firefighters' Pension 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 Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, risk aversion, liquidity, and return on investment.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy* (Continued)

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

| Asset Class            | Target | Long-Term<br>Expected Real<br>Rate of Return |
|------------------------|--------|--|
| U.S. Fixed Income      | 35%    | 2.5%   |
| U.S. Equities          | 49%    | 7.5%   |
| International Equities | 11%    | 8.5%   |
| Real Estate            | 5%     | 4.5%   |

The long-term expected real rate of return is based on expected average returns over the foreseeable future for each asset class voting on arithmetic calculation.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for insurance contracts.

*Concentrations*

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of its investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Firefighters' Pension Fund, shall hold more than 10% of the Firefighters' Pension Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Firefighters' Pension 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 55% in equity securities.

At December 31, 2014, there were no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5% or more of the Firefighters' Pension Fund's investments.

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Rate of Return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.6%. 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 Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the an independent third party.

*Interest Rate Risk*

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2014:

| Investment Type                   | Fair Value           | Investment Maturities in Years |                     |                     |                     |
|-----------------------------------|----------------------|--------------------------------|---------------------|---------------------|---------------------|
|                                   |                      | Less than 1                    | 1-5                 | 6-10                | Greater than 10     |
| U.S. Treasuries                   | \$ 1,745,174         | \$ -                           | \$ 1,357,954        | \$ 387,220          | \$ -                |
| U.S. agencies                     | 10,135,115           | 233,024                        | 1,010,307           | 1,798,747           | 7,093,037           |
| State, local, and municipal bonds | 1,306,034            | 112,285                        | 990,269             | 203,480             | -                   |
| Corporate bonds                   | 7,464,901            | 652,890                        | 3,083,952           | 3,521,932           | 206,127             |
| <b>TOTAL</b>                      | <b>\$ 20,651,224</b> | <b>\$ 998,199</b>              | <b>\$ 6,442,482</b> | <b>\$ 5,911,379</b> | <b>\$ 7,299,164</b> |

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 Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market 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.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The Firefighters' Pension Fund's investment policy does not address the management of credit risk. The U.S. Treasuries and agencies, money market mutual funds, and Illinois Funds are rated AAA. The state, local, and municipal bonds are rated AA2 to AAA. The corporate bonds are rated BAA3 to AAA.

*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 Firefighters' Pension 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 Firefighters' Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investments held by a third party custodian and evidenced by safekeeping receipts. Illinois Funds and the 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, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

|   |    |            |
|---|----|------------|
| Total pension liability   | \$ | 85,904,197 |
| Plan fiduciary net position   |    | 56,568,339 |
| Village's net pension liability   |    | 29,335,858 |
| Plan fiduciary net position as a percentage<br>of the total pension liability |    | 65.9%      |

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 Firefighters' Pension Fund.

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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions.

|                            |                      |
|----------------------------|----------------------|
| Actuarial valuation date   | December 31,<br>2014 |
| Actuarial cost method      | Entry-age<br>normal  |
| Assumptions                |                      |
| Inflation                  | 3.00%                |
| Salary increases           | 5.00%                |
| Discount rate              | 7.50%                |
| Cost of living adjustments | 3.00%                |
| Asset valuation method     | Market               |

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.5%. 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 Firefighters' Pension 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.



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

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**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

|                       | 1% Decrease<br>(6.5%) | Current Discount<br>Rate<br>(7.5%) | 1% Increase<br>(8.5%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability | \$ 39,288,065         | \$ 29,335,858                      | \$ 20,953,696         |

b. Annual Pension Cost

|                          | Illinois<br>Municipal<br>Retirement | Police<br>Pension                 | Firefighters'<br>Pension          |
|--------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Actuarial valuation date | December 31,<br>2012                | December 31,<br>2013              | December 31,<br>2013              |
| Actuarial cost method    | Entry-age<br>Normal                 | Entry-age<br>Normal               | Entry-age<br>Normal               |
| Asset valuation method   | 5 Year<br>Smoothed<br>Market        | Market                            | Market                            |
| Amortization method      | Level<br>Percentage of<br>Payroll   | Level<br>Percentage of<br>Payroll | Level<br>Percentage of<br>Payroll |
| Amortization period      | 29 Years,<br>Closed                 | 27 Years,<br>Closed               | 27 Years,<br>Closed               |

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

b. Annual Pension Cost (Continued)

|  | Illinois<br>Municipal<br>Retirement | Police<br>Pension               | Firefighters'<br>Pension        |
|--|-------------------------------------|---------------------------------|---------------------------------|
| Significant actuarial assumptions                        |                                     |                                 |                                 |
| a) Rate of return on present and future assets           | 7.50%<br>Compounded<br>Annually     | 7.50%<br>Compounded<br>Annually | 7.50%<br>Compounded<br>Annually |
| b) Projected salary increase - attributable to inflation | 4.00%<br>Compounded<br>Annually     | 5.00%<br>Compounded<br>Annually | 5.00%<br>Compounded<br>Annually |
| c) Additional projected salary increases                 | .40% to 10.00%                      | 5.00%                           | 5.00%                           |
| d) Postretirement benefit increases                      | 3.00%                               | 3.00%                           | 3.00%                           |

c. Net Pension Obligation (Asset)

The Village's annual pension cost and net pension obligation (asset) for the Illinois Municipal Retirement Fund, Police Pension, and Firefighters' Pension Plans for the year ended December 31, 2014 were as follows:

|  | Illinois<br>Municipal<br>Retirement* | Police<br>Pension   | Firefighters'<br>Pension |
|--|--------------------------------------|---------------------|--------------------------|
| Annual required contributions                          | \$ 1,994,769                         | \$ 2,922,979        | \$ 2,468,554             |
| Interest on net pension obligation                     | 35,157                               | (32,762)            | 10,834                   |
| Adjustment to annual required contribution             | (25,566)                             | 22,630              | (7,539)                  |
| Annual pension cost                                    | 2,004,360                            | 2,912,847           | 2,471,849                |
| Contributions made                                     | 1,994,769                            | 2,924,226           | 2,466,165                |
| Increase (decrease) in net pension obligation (asset)  | 9,591                                | (11,379)            | 5,684                    |
| Net pension obligation (asset), beginning of year      | 468,766                              | (437,337)           | 144,683                  |
| <b>NET PENSION OBLIGATION (ASSET),<br/>END OF YEAR</b> | <b>\$ 478,357</b>                    | <b>\$ (448,716)</b> | <b>\$ 150,367</b>        |

\* Includes both the Village and the Library.

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

**12. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

d. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

|                               | Fiscal Year | Illinois Municipal Retirement* | Police Pension | Firefighters' Pension |
|-------------------------------|-------------|--------------------------------|----------------|-----------------------|
| Annual pension cost (APC)     | 2012        | \$ 1,724,654                   | \$ 2,349,369   | \$ 2,152,571          |
|                               | 2013        | 1,964,004                      | 2,728,366      | 2,430,486             |
|                               | 2014        | 2,004,360                      | 2,912,847      | 2,471,849             |
| Actual contribution           | 2012        | \$ 1,715,043                   | \$ 2,511,349   | \$ 2,260,834          |
|                               | 2013        | 1,954,187                      | 2,631,038      | 2,371,347             |
|                               | 2014        | 1,994,769                      | 2,924,226      | 2,466,165             |
| Percentage of APC contributed | 2012        | 99.44%                         | 106.89%        | 105.03%               |
|                               | 2013        | 99.50%                         | 96.43%         | 97.57%                |
|                               | 2014        | 99.52%                         | 100.39%        | 99.77%                |
| NPO (asset)                   | 2012        | \$ 458,949                     | \$ (534,665)   | \$ 85,544             |
|                               | 2013        | 468,766                        | (437,337)      | 144,683               |
|                               | 2014        | 478,357                        | (448,716)      | 150,367               |

\* Includes both the Village and the Library.

e. Funded Status and Funding Progress

The funded status and funding progress of the plans as of December 31, 2014 for the Illinois Municipal Retirement Fund, Police Pension Fund, and Firefighters' Pension Fund were as follows:

|   | Illinois Municipal Retirement* | Police Pension | Firefighters' Pension |
|---|--------------------------------|----------------|-----------------------|
| Actuarial accrued liability (AAL)                 | \$ 51,991,456                  | \$ 98,409,322  | \$ 85,904,197         |
| Actuarial value of plan assets                    | 40,715,187                     | 58,819,925     | 56,568,339            |
| Unfunded actuarial accrued liability (UAAL)       | 11,276,269                     | 39,589,397     | 29,335,858            |
| Funded ratio (actuarial value of plan assets/AAL) | 78.31%                         | 59.8%          | 65.9%                 |
| Covered payroll (active plan members)             | 16,417,851                     | 7,848,795      | 6,495,510             |
| UAAL as a percentage of covered payroll           | 68.68%                         | 504.4%         | 451.6%                |

\* Includes both the Village and the Library.

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

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**13. PENSION TRUST FUNDS**

a. Schedule of Net Position as of December 31, 2014:

|  | Police<br>Pension    | Firefighters'<br>Pension | Total                 |
|--|----------------------|--------------------------|-----------------------|
| <b>ASSETS</b>                          |                      |                          |                       |
| Cash and short-term investments        | \$ 1,371,257         | \$ 919,531               | \$ 2,290,788          |
| Investments                            |                      |                          |                       |
| State and local obligations            | 2,530,858            | 1,306,034                | 3,836,892             |
| U.S. Government and agency obligations | 12,614,255           | 11,880,289               | 24,494,544            |
| Corporate bonds and obligations        | 8,004,178            | 7,464,901                | 15,469,079            |
| Mutual funds                           | 34,140,326           | 34,859,858               | 69,000,184            |
| Receivables                            |                      |                          |                       |
| Accrued interest                       | 129,425              | 107,671                  | 237,096               |
| Other                                  | 309                  | -                        | 309                   |
| Due from other funds                   | 56,708               | 47,439                   | 104,147               |
| Prepaid expenses                       | 1,392                | 1,110                    | 2,502                 |
|  | <hr/>                |                          |                       |
| Total assets                           | 58,848,708           | 56,586,833               | 115,435,541           |
| <b>LIABILITIES</b>                     |                      |                          |                       |
| Accounts payable                       | 28,783               | 18,494                   | 47,277                |
|  | <hr/>                |                          |                       |
| Total liabilities                      | 28,783               | 18,494                   | 47,277                |
|  | <hr/>                |                          |                       |
| <b>NET POSITION</b>                    | <b>\$ 58,819,925</b> | <b>\$ 56,568,339</b>     | <b>\$ 115,388,264</b> |

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

**13. PENSION TRUST FUNDS (Continued)**

b. Schedule of Changes in Net Position for the year ended December 31, 2014:

|  | Police<br>Pension | Firefighters'<br>Pension | Total          |
|--|-------------------|--------------------------|----------------|
| <b>ADDITIONS</b>   |                   |                          |                |
| Contributions  |                   |                          |                |
| Employer   | \$ 2,924,226      | \$ 2,466,115             | \$ 5,390,341   |
| Employee   | 851,363           | 644,384                  | 1,495,747      |
| Other  | -                 | 50                       | 50             |
|  | <hr/>             |                          |                |
| Total contributions  | 3,775,589         | 3,110,549                | 6,886,138      |
|  | <hr/>             |                          |                |
| <b>INVESTMENT INCOME</b>                                   |                   |                          |                |
| Net appreciation in fair value of<br>investments           | 3,157,710         | 3,399,771                | 6,557,481      |
| Interest income  | 790,677           | 648,749                  | 1,439,426      |
| Less investment expense                                    | (102,525)         | (85,268)                 | (187,793)      |
|  | <hr/>             |                          |                |
| Net investment income                                      | 3,845,862         | 3,963,252                | 7,809,114      |
|  | <hr/>             |                          |                |
| Total additions  | 7,621,451         | 7,073,801                | 14,695,252     |
|  | <hr/>             |                          |                |
| <b>DEDUCTIONS</b>  |                   |                          |                |
| Administrative   | 60,382            | 62,889                   | 123,271        |
| Pension benefits and refunds                               | 4,117,120         | 4,158,988                | 8,276,108      |
|  | <hr/>             |                          |                |
| Total deductions   | 4,177,502         | 4,221,877                | 8,399,379      |
|  | <hr/>             |                          |                |
| <b>NET INCREASE</b>  | 3,443,949         | 2,851,924                | 6,295,873      |
|  | <hr/>             |                          |                |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                   |                          |                |
| January 1  | 55,375,976        | 53,716,415               | 109,092,391    |
|  | <hr/>             |                          |                |
| December 31  | \$ 58,819,925     | \$ 56,568,339            | \$ 115,388,264 |
|  | <hr/>             |                          |                |

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

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**14. RESTATEMENT**

The Village has restated net position at the beginning of the year to remove the Mount Prospect Public Library from the reporting entity due to the implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, and to recognize the Business District Limited Tax note payable.

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| NET POSITION, DECEMBER 31, 2013,<br>AS PREVIOUSLY REPORTED | \$ 75,352,589                      |
| a. GASB Statement No. 61 implementation                    | 237,538                            |
| b. Business District limited tax note payable              | <u>(30,451,305)</u>                |
| NET POSITION, DECEMBER 31, 2013,<br>AS RESTATED            | <u>\$ 45,138,822</u>               |

**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, 2014

|                                   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b> |
|-----------------------------------|----------------------------|-------------------------|---------------|
| <b>REVENUES</b>                   |                            |                         |               |
| Property taxes                    | \$ 14,464,000              | \$ 14,464,000           | \$ 14,392,732 |
| Other taxes                       | 7,638,500                  | 7,437,500               | 7,534,342     |
| Licenses, permits, and fees       | 2,483,500                  | 2,523,500               | 2,496,760     |
| Intergovernmental                 | 18,031,566                 | 19,997,566              | 20,017,840    |
| Charges for services              | 1,729,700                  | 1,939,700               | 1,928,223     |
| Fines and forfeits                | 485,000                    | 480,000                 | 470,466       |
| Investment income                 | 22,500                     | 22,500                  | (64,978)      |
| Miscellaneous                     | 959,300                    | 524,300                 | 512,500       |
|                                   |                            |                         |               |
| Total revenues                    | 45,814,066                 | 47,389,066              | 47,287,885    |
| <b>EXPENDITURES</b>               |                            |                         |               |
| General government                | 5,738,103                  | 6,335,151               | 6,035,582     |
| Public safety                     | 30,290,748                 | 30,896,648              | 30,626,597    |
| Highways and streets              | 7,513,954                  | 7,834,954               | 7,500,480     |
| Health                            | 158,190                    | 158,190                 | 151,586       |
| Welfare                           | 1,622,272                  | 1,665,972               | 1,585,083     |
| Culture and recreation            | 490,799                    | 505,799                 | 421,517       |
|                                   |                            |                         |               |
| Total expenditures                | 45,814,066                 | 47,396,714              | 46,320,845    |
| <b>NET CHANGE IN FUND BALANCE</b> |                            |                         |               |
|                                   | \$ -                       | \$ (7,648)              | 967,040       |
| <b>FUND BALANCE, JANUARY 1</b>    |                            |                         | 11,878,582    |
| <b>FUND BALANCE, DECEMBER 31</b>  |                            |                         | \$ 12,845,622 |

(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, 2014

|                                  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       |
|----------------------------------|----------------------------|-------------------------|---------------------|
| <b>REVENUES</b>                  |                            |                         |                     |
| Taxes                            | \$ 342,000                 | \$ 342,000              | \$ 342,000          |
| Charges for services             | 3,283,500                  | 3,283,500               | 3,292,507           |
| Investment income                | 500                        | 500                     | 604                 |
| Miscellaneous                    | 500                        | 10,500                  | 11,022              |
|                                  |                            |                         |                     |
| Total revenues                   | 3,626,500                  | 3,636,500               | 3,646,133           |
| <b>EXPENDITURES</b>              |                            |                         |                     |
| Health                           |                            |                         |                     |
| Refuse disposal division         |                            |                         |                     |
| Personal services                | 231,735                    | 231,735                 | 250,102             |
| Employee benefits                | 75,057                     | 75,057                  | 108,876             |
| Other employee costs             | 1,224                      | 1,224                   | 1,224               |
| Contractual services             | 4,157,884                  | 4,187,284               | 4,013,048           |
| Utilities                        | 438                        | 438                     | 261                 |
| Insurance                        | 28,640                     | 28,640                  | 28,640              |
| Commodities and supplies         | 31,295                     | 36,895                  | 36,290              |
|                                  |                            |                         |                     |
| Total expenditures               | 4,526,273                  | 4,561,273               | 4,438,441           |
| NET CHANGE IN FUND BALANCE       | \$ (899,773)               | \$ (924,773)            | (792,308)           |
| FUND BALANCE, JANUARY 1          |                            |                         | 2,445,117           |
| <b>FUND BALANCE, DECEMBER 31</b> |                            |                         | <b>\$ 1,652,809</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2014

| <b>Actuarial<br/>Valuation<br/>Date<br/>December 31,</b> | <b>(1)<br/>Actuarial<br/>Value of<br/>Assets</b> | <b>(2)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>Entry-Age</b> | <b>(3)<br/>Funded<br/>Ratio<br/>(1) / (2)</b> | <b>(4)<br/>Unfunded<br/>AAL<br/>(UAAL)<br/>(2) - (1)</b> | <b>(5)<br/>Covered<br/>Payroll</b> | <b>UAAL<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>(4) / (5)</b> |
|--|--|--|---|--|------------------------------------|--|
| 2009   | \$ 32,885,215                                    | \$ 42,060,919  | 78.18%  | \$ 9,175,704   | \$ 15,057,932                      | 60.94%   |
| 2010   | 35,647,745                                       | 44,326,209   | 80.42%  | 8,678,464  | 15,105,113                         | 57.45%   |
| 2011   | 32,515,052                                       | 44,098,030   | 73.73%  | 11,582,978   | 14,928,114                         | 77.59%   |
| 2012   | 35,970,552                                       | 46,229,045   | 77.81%  | 10,258,493   | 14,939,401                         | 68.67%   |
| 2013   | 38,571,986                                       | 47,218,842   | 81.69%  | 8,646,856  | 15,375,191                         | 56.24%   |
| 2014   | 40,715,187                                       | 51,991,456   | 78.31%  | 11,276,269   | 16,417,851                         | 68.68%   |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND**

December 31, 2014

| <b>Actuarial<br/>Valuation<br/>Date<br/>December 31,</b> | <b>(1)<br/>Actuarial<br/>Value of<br/>Assets</b> | <b>(2)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>Entry-Age</b> | <b>(3)<br/>Funded<br/>Ratio<br/>(1) / (2)</b> | <b>(4)<br/>Unfunded<br/>AAL<br/>(UAAL)<br/>(2) - (1)</b> | <b>(5)<br/>Covered<br/>Payroll</b> | <b>UAAL<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>(4) / (5)</b> |
|--|--|--|---|--|------------------------------------|--|
| 2009   | \$ 41,020,478                                    | \$ 67,715,945  | 60.58%  | \$ 26,695,467  | \$ 7,421,123                       | 359.72%  |
| 2010   | 44,540,310                                       | 75,131,534   | 59.28%  | 30,591,224   | 7,183,594                          | 425.85%  |
| 2011   | 44,777,147                                       | 79,366,157   | 56.42%  | 34,589,010   | 7,591,498                          | 455.63%  |
| 2012   | 48,922,651                                       | 85,202,766   | 57.42%  | 36,280,115   | 7,871,917                          | 460.88%  |
| 2013   | 55,375,976                                       | 88,451,950   | 62.61%  | 33,075,974   | 8,121,622                          | 407.26%  |
| 2014   | 58,819,925                                       | 98,409,322   | 59.77%  | 39,589,397   | 7,848,795                          | 504.40%  |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS  
FIREFIGHTERS' PENSION FUND

December 31, 2014

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| <b>Actuarial<br/>Valuation<br/>Date<br/>December 31,</b> | <b>(1)<br/>Actuarial<br/>Value of<br/>Assets</b> | <b>(2)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>Entry-Age</b> | <b>(3)<br/>Funded<br/>Ratio<br/>(1) / (2)</b> | <b>(4)<br/>Unfunded<br/>AAL<br/>(UAAL)<br/>(2) - (1)</b> | <b>(5)<br/>Covered<br/>Payroll</b> | <b>UAAL<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>(4) / (5)</b> |
|--|--|--|---|--|------------------------------------|--|
| 2009   | \$ 40,800,749                                    | \$ 62,747,542  | 65.02%  | \$ 21,946,793  | \$ 6,181,788                       | 355.02%  |
| 2010   | 43,860,979                                       | 69,228,826   | 63.36%  | 25,367,847   | 5,896,317                          | 430.23%  |
| 2011   | 43,864,976                                       | 72,307,211   | 60.66%  | 28,442,235   | 6,201,120                          | 458.66%  |
| 2012   | 47,233,554                                       | 75,639,594   | 62.45%  | 28,406,040   | 6,150,974                          | 461.81%  |
| 2013   | 53,716,415                                       | 79,149,378   | 67.87%  | 25,432,963   | 6,436,911                          | 395.11%  |
| 2014   | 56,568,339                                       | 85,904,197   | 65.85%  | 29,335,858   | 6,495,510                          | 451.63%  |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFITS PLAN

December 31, 2014

| <b>Actuarial<br/>Valuation<br/>Date<br/>December 31,</b> | <b>(1)<br/>Actuarial<br/>Value of<br/>Assets</b> | <b>(2)<br/>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>Entry-Age</b> | <b>(3)<br/>Ratio<br/>(1) / (2)</b> | <b>(4)<br/>Unfunded<br/>AAL<br/>(UAAL)<br/>(2) - (1)</b> | <b>(5)<br/>Covered<br/>Payroll</b> | <b>(6)<br/>UAAL<br/>as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>(4) / (5)</b> |
|--|--|--|------------------------------------|--|------------------------------------|--|
| 2008   | N/A  | N/A  | N/A                                | N/A  | N/A                                | N/A  |
| 2009   | \$ -   | \$ 5,796,773   | 0.00%                              | \$ 5,796,773   | \$ 26,655,049                      | 21.75%   |
| 2010   | N/A  | N/A  | N/A                                | N/A  | N/A                                | N/A  |
| 2011   | -  | 8,280,690  | 0.00%                              | 8,280,690  | 22,325,901                         | 37.09%   |
| 2012   | -  | 7,201,300  | 0.00%                              | 7,201,300  | 24,540,441                         | 29.34%   |
| 2013   | N/A  | N/A  | N/A                                | N/A  | N/A                                | N/A  |

N/A - Information not available.

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2014

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| <b>Fiscal<br/>Year</b> | <b>Employer<br/>Contributions</b> | <b>Annual<br/>Required<br/>Contribution<br/>(ARC)</b> | <b>Percentage<br/>Contributed</b> |
|------------------------|-----------------------------------|---|-----------------------------------|
| 2009                   | \$ 1,338,650                      | \$ 1,338,650  | 100.00%                           |
| 2010                   | 1,477,280                         | 1,792,977   | 82.39%                            |
| 2011                   | 1,606,265                         | 1,733,154   | 92.68%                            |
| 2012                   | 1,715,043                         | 1,715,043   | 100.00%                           |
| 2013                   | 1,954,187                         | 1,954,187   | 100.00%                           |
| 2014                   | 1,994,769                         | 1,994,769   | 100.00%                           |

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

|  | 2005               | 2006               | 2007              | 2008               | 2009               | 2010              | 2011               | 2012               | 2013          | 2014              |
|--|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|---------------|-------------------|
| Actuarially determined contribution                                  | \$ 1,077,645       | \$ 1,246,954       | \$ 1,333,283      | \$ 1,408,423       | \$ 1,515,672       | \$ 2,208,174      | \$ 2,467,527       | \$ 2,484,859       | \$ 2,631,811  | \$ 2,922,979      |
| Contributions in relation to the actuarially determined contribution | 1,097,052          | 1,290,012          | 1,334,425         | 1,420,452          | 1,565,009          | 2,210,670         | 2,504,701          | 2,511,349          | 2,631,038     | 2,924,226         |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <b>\$ (19,407)</b> | <b>\$ (43,058)</b> | <b>\$ (1,142)</b> | <b>\$ (12,029)</b> | <b>\$ (49,337)</b> | <b>\$ (2,496)</b> | <b>\$ (37,174)</b> | <b>\$ (26,490)</b> | <b>\$ 773</b> | <b>\$ (1,247)</b> |
| Covered-employee payroll   | \$ 6,049,971       | \$ 6,563,329       | \$ 7,078,232      | \$ 7,142,505       | \$ 7,421,123       | \$ 7,183,594      | \$ 7,591,498       | \$ 7,871,917       | \$ 8,121,622  | \$ 7,848,795      |
| Contributions as a percentage of covered-employee payroll            | 18.1%              | 19.7%              | 18.9%             | 19.9%              | 21.1%              | 30.8%             | 33.0%              | 31.9%              | 32.4%         | 37.3%             |

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

| Year Ended December 31, | Employer Contributions | Annual Required Contribution (ARC) | Percent Contributed |
|-------------------------|------------------------|------------------------------------|---------------------|
| 2009                    | \$ 1,565,009           | \$ 1,515,672                       | 103.26%             |
| 2010                    | 2,210,670              | 2,208,174                          | 100.11%             |
| 2011                    | 2,504,701              | 2,467,527                          | 101.51%             |
| 2012                    | 2,511,349              | 2,484,859                          | 101.07%             |
| 2013                    | 2,631,038              | 2,631,811                          | 99.97%              |
| 2014                    | 2,924,226              | 2,922,979                          | 100.04%             |

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. 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, after closed and the amortization period was 28 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.0% compounded annually, and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

|  | 2005               | 2006               | 2007               | 2008               | 2009                | 2010              | 2011               | 2012               | 2013               | 2014            |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|-------------------|--------------------|--------------------|--------------------|-----------------|
| Actuarially determined contribution                                  | \$ 1,175,135       | \$ 1,159,480       | \$ 1,302,011       | \$ 1,389,833       | \$ 1,414,110        | \$ 1,925,375      | \$ 2,140,664       | \$ 2,224,122       | \$ 2,323,609       | \$ 2,468,554    |
| Contributions in relation to the actuarially determined contribution | 1,192,522          | 1,194,705          | 1,348,076          | 1,417,935          | 1,538,564           | 1,928,807         | 2,155,975          | 2,260,834          | 2,371,347          | 2,466,165       |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <b>\$ (17,387)</b> | <b>\$ (35,225)</b> | <b>\$ (46,065)</b> | <b>\$ (28,102)</b> | <b>\$ (124,454)</b> | <b>\$ (3,432)</b> | <b>\$ (15,311)</b> | <b>\$ (36,712)</b> | <b>\$ (47,738)</b> | <b>\$ 2,389</b> |
| Covered-employee payroll   | \$ 5,095,147       | \$ 5,446,735       | \$ 5,761,988       | \$ 5,862,887       | \$ 6,181,788        | \$ 5,896,317      | \$ 6,201,120       | \$ 6,150,974       | \$ 6,436,911       | \$ 6,495,510    |
| Contributions as a percentage of covered-employee payroll            | 23.4%              | 21.9%              | 23.4%              | 24.2%              | 24.9%               | 32.7%             | 34.8%              | 36.8%              | 36.8%              | 38.0%           |

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

| Year Ended December 31, | Employer Contributions | Annual Required Contribution (ARC) | Percent Contributed |
|-------------------------|------------------------|------------------------------------|---------------------|
| 2009                    | \$ 1,538,564           | \$ 1,414,110                       | 108.80%             |
| 2010                    | 1,928,807              | 1,925,375                          | 100.18%             |
| 2011                    | 2,155,975              | 2,140,664                          | 100.72%             |
| 2012                    | 2,260,834              | 2,224,122                          | 101.65%             |
| 2013                    | 2,371,347              | 2,323,609                          | 102.05%             |
| 2014                    | 2,466,165              | 2,468,554                          | 99.90%              |

Notes to Required Supplementary Information:

This information directly above is presented in accordance with GASB Statement No. 25. 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, after closed and the amortization period was 28 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 5.0% compounded annually, and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2014

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| <b><u>Fiscal<br/>Year</u></b> | <b><u>Employer<br/>Contributions</u></b> | <b><u>Annual<br/>Required<br/>Contribution<br/>(ARC)</u></b> | <b><u>Percentage<br/>Contributed</u></b> |
|-------------------------------|--|--|--|
| 2009                          | \$ 254,814                               | \$ 273,536   | 93.16%                                   |
| 2010                          | 254,814                                  | 270,764  | 94.11%                                   |
| 2011                          | 254,814                                  | 270,764  | 94.11%                                   |
| 2012                          | 609,856                                  | 442,722  | 137.75%                                  |
| 2013                          | 275,814                                  | 582,335  | 47.36%                                   |
| 2014                          | 287,447                                  | 605,628  | 47.46%                                   |

(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

December 31, 2014

|   | <b>2014</b>          |
|---|----------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                      |
| Service cost  | \$ 1,890,407         |
| Investment income   | 6,479,504            |
| Changes of benefit terms  | -                    |
| Differences between expected and actual experience                              | 860,183              |
| Changes of assumptions  | 4,844,398            |
| Benefit payments, including refunds of member contributions                     | (4,117,120)          |
| Net change in total pension liability   | 9,957,372            |
| Total pension liability - beginning   | 88,451,950           |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | <b>\$ 98,409,322</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                      |
| Contributions - employer  | \$ 2,924,226         |
| Contributions - member  | 851,363              |
| Net investment income   | 3,845,862            |
| Benefit payments, including refunds of member contributions                     | (4,117,120)          |
| Administrative expense  | (60,382)             |
| Net change in plan fiduciary net position                                       | 3,443,949            |
| Plan fiduciary net position - beginning   | 55,375,976           |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                                     | <b>\$ 58,819,925</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>   | <b>\$ 39,589,397</b> |
| Plan fiduciary net position<br>as a percentage of the total pension liability   | 59.8%                |
| Covered-employee payroll  | \$ 7,848,795         |
| Employer's net pension liability<br>as a percentage of covered-employee payroll | 504.4%               |

**Notes to Required Supplementary Information**

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.

(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

December 31, 2014

|   | <b>2014</b>       |
|---|-------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                   |
| Service cost  | \$ 1,673,836      |
| Investment income   | 5,780,241         |
| Changes of benefit terms  | -                 |
| Differences between expected and actual experience                              | 225,575           |
| Changes of assumptions  | 3,234,155         |
| Benefit payments, including refunds of member contributions                     | (4,158,988)       |
| Net change in total pension liability   | 6,754,819         |
| Total pension liability - beginning   | 79,149,378        |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | <b>85,904,197</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                   |
| Contributions - employer  | \$ 2,466,165      |
| Contributions - member  | 644,384           |
| Net investment income   | 3,963,252         |
| Benefit payments, including refunds of member contributions                     | (4,158,988)       |
| Administrative expense  | (62,889)          |
| Net change in plan fiduciary net position                                       | 2,851,924         |
| Plan fiduciary net position - beginning   | 53,716,415        |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                                     | <b>56,568,339</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>   | <b>29,335,858</b> |
| Plan fiduciary net position<br>as a percentage of the total pension liability   | 65.9%             |
| Covered-employee payroll  | \$ 6,495,510      |
| Employer's net pension liability<br>as a percentage of covered-employee payroll | 451.6%            |

**Notes to Required Supplementary Information**

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.

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

December 31, 2014

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|  | <u><b>2014</b></u> |
|--|--------------------|
| Annual money-weighted rate of return,<br>net of investment expense | 6.92%              |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2014

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|  | <u><b>2014</b></u> |
|--|--------------------|
| Annual money-weighted rate of return,<br>net of investment expense | 7.60%              |

(See independent auditor's report.)

## VILLAGE OF MOUNT PROSPECT, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

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#### **BUDGETS**

All departments of the Village submit requests for appropriation to the Village Manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service, and pension trust funds. All annual appropriations lapse at fiscal year end.

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

The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, budget amendments were approved by the Village Board. 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 restricted property taxes, user fees, and recycling income. The Village has elected to present the Refuse Disposal Fund as a major fund.

### **DEBT SERVICE FUND**

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

### **CAPITAL PROJECTS FUNDS**

Flood Control Construction Fund - to account for the resources to implement flood control projects throughout the Village. Financing is being provided by the sale of general obligation bonds, grants, investment income, and by installment loans from the Illinois Environmental Protection Agency (IEPA).

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



VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2014

|  | Budget       |              | Actual       |
|--|--------------|--------------|--------------|
|  | Original     | Final        |              |
| <b>TAXES</b>                           |              |              |              |
| Property taxes - general               | \$ 9,205,000 | \$ 9,205,000 | \$ 9,141,821 |
| Property taxes - police pension        | 2,857,000    | 2,857,000    | 2,853,242    |
| Property taxes - firefighters' pension | 2,402,000    | 2,402,000    | 2,397,669    |
| Road and bridge taxes                  | 120,000      | 120,000      | 113,223      |
| Auto rental tax                        | 15,500       | 15,500       | 20,782       |
| Food and beverage tax                  | 725,000      | 810,000      | 738,642      |
| Real estate transfer tax               | 800,000      | 955,000      | 954,644      |
| Hotel/motel tax                        | 240,000      | 240,000      | 258,080      |
| Telecommunications tax                 | 2,600,000    | 2,100,000    | 2,208,292    |
| Home rule sales tax                    | 1,346,000    | 1,346,000    | 1,355,373    |
| Gas utility tax                        | 562,000      | 687,000      | 718,224      |
| Electric utility tax                   | 1,230,000    | 1,164,000    | 1,167,082    |
| Total taxes                            | 22,102,500   | 21,901,500   | 21,927,074   |
| <b>LICENSES, PERMITS, AND FEES</b>     |              |              |              |
| Vehicle license fees                   | 340,000      | 340,000      | 340,344      |
| Liquor licenses                        | 160,000      | 160,000      | 150,502      |
| Business licenses                      | 145,000      | 145,000      | 135,186      |
| Contractor licenses                    | 50,000       | 50,000       | 53,270       |
| Alarm licenses                         | 16,000       | 16,000       | 17,395       |
| Elevator licenses                      | 20,000       | 20,000       | 27,575       |
| Building permit fees                   | 550,000      | 590,000      | 588,759      |
| Electrical permit fees                 | 8,000        | 8,000        | 8,250        |
| Permit penalties                       | 1,000        | 1,000        | -            |
| Plumbing permit fees                   | 25,000       | 25,000       | 20,063       |
| Reinspection fees                      | 90,000       | 90,000       | 69,611       |
| Vacant structure registration fees     | 1,000        | 1,000        | 6,000        |
| Truck rental fees                      | 500          | 500          | 1,295        |
| Utility permit fees                    | 4,000        | 4,000        | 4,250        |
| Plan examination fees                  | 15,000       | 15,000       | 10,750       |
| Stormwater detention                   | 10,000       | 10,000       | 14,155       |
| Street opening fees                    | 2,000        | 2,000        | 2,000        |
| ZBA hearing fees                       | 15,000       | 15,000       | 16,300       |
| Public improvement inspections         | 15,000       | 15,000       | -            |
| False alarm fees                       | 5,000        | 5,000        | 9,180        |
| Landlord/tenant fees                   | 288,000      | 288,000      | 293,107      |
| Cable TV franchise                     | 723,000      | 723,000      | 728,768      |
| Total licenses, permits, and fees      | 2,483,500    | 2,523,500    | 2,496,760    |
| <b>INTERGOVERNMENTAL</b>               |              |              |              |
| State sales tax                        | 11,360,000   | 13,271,000   | 13,285,441   |
| State income tax                       | 5,275,000    | 5,185,000    | 5,186,155    |
| State use tax                          | 922,000      | 1,027,000    | 1,025,332    |
| Charitable games tax                   | 4,000        | 4,000        | 4,812        |
| Incremental taxes                      | 90,466       | 90,466       | 96,631       |
| Replacement taxes                      | 365,000      | 405,000      | 400,936      |
| Replacement taxes - road and bridge    | 10,000       | 10,000       | 6,827        |

(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, 2014

|                                      | Budget     |            | Actual     |
|--------------------------------------|------------|------------|------------|
|                                      | Original   | Final      |            |
| <b>INTERGOVERNMENTAL (Continued)</b> |            |            |            |
| Grant - tobacco enforcement          | \$ 4,000   | \$ 4,000   | \$ 4,180   |
| Grant - body armor                   | 1,100      | 1,100      | 4,143      |
| Grant - NACCHO                       | -          | -          | 2,520      |
| Grant - fire prevention and safety   | -          | -          | 863        |
| Total intergovernmental              | 18,031,566 | 19,997,566 | 20,017,840 |
| <b>CHARGES FOR SERVICES</b>          |            |            |            |
| Water and sewer service charge       | 520,000    | 520,000    | 520,000    |
| Parking service charge               | 47,500     | 47,500     | 47,500     |
| Maintenance of state highways        | 97,000     | 97,000     | 95,864     |
| Ambulance transport fees             | 750,000    | 960,000    | 942,996    |
| Forest River Rural FPD               | 45,000     | 45,000     | 51,396     |
| Cable programming fees               | 25,000     | 25,000     | 24,586     |
| Other programs                       | 32,500     | 32,500     | 35,698     |
| Special detail revenue               | 40,000     | 40,000     | 35,864     |
| Police training revenue              | 10,000     | 10,000     | 6,094      |
| Fire training revenue                | 17,500     | 17,500     | 22,758     |
| Lease payments - cell tower          | 129,000    | 129,000    | 129,266    |
| General store lease                  | 16,200     | 16,200     | 16,201     |
| Total charges for services           | 1,729,700  | 1,939,700  | 1,928,223  |
| <b>FINES AND FORFEITS</b>            |            |            |            |
| Fines - parking                      | 190,000    | 190,000    | 213,111    |
| Fines - local ordinances             | 5,000      | 5,000      | 3,000      |
| Fines - code enforcement             | 25,000     | 80,000     | 79,661     |
| Fines - circuit court                | 220,000    | 160,000    | 148,017    |
| Fines - parental responsibility      | 5,000      | 5,000      | 1,200      |
| Forfeited escrow funds               | 40,000     | 40,000     | 25,477     |
| Total fines and forfeits             | 485,000    | 480,000    | 470,466    |
| <b>INVESTMENT INCOME</b>             |            |            |            |
| Investment income                    | 20,500     | 20,500     | (66,971)   |
| Interest - escrow funds              | 2,000      | 2,000      | 1,993      |
| Total investment income              | 22,500     | 22,500     | (64,978)   |
| <b>MISCELLANEOUS</b>                 |            |            |            |
| Reimburse - H/S youth officer        | 86,000     | 86,000     | 86,702     |
| Reimburse - Mount Prospect Library   | 20,000     | 20,000     | 28,095     |
| Shared cost - sidewalk               | 30,000     | 30,000     | 21,219     |
| Shared cost - tree replacement       | 35,000     | 35,000     | 31,621     |
| Reimburse - Village property         | 20,000     | 20,000     | 11,792     |

(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, 2014

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|                                  | <b>Budget</b>        |                      | <b>Actual</b>        |
|----------------------------------|----------------------|----------------------|----------------------|
|                                  | <b>Original</b>      | <b>Final</b>         |                      |
| <b>MISCELLANEOUS (Continued)</b> |                      |                      |                      |
| Other reimbursements             | \$ 15,000            | \$ 220,000           | \$ 214,285           |
| Human services revenue           | 19,800               | 19,800               | 13,974               |
| Fire and police reports          | 6,000                | 6,000                | 5,582                |
| Animal release fees              | 500                  | 500                  | 250                  |
| Subpoena fees                    | 1,000                | 1,000                | 943                  |
| Insurance payment IPBC           | 640,000              | -                    | -                    |
| Tree escrow                      | 20,000               | 20,000               | 20,000               |
| Other revenue                    | 66,000               | 66,000               | 78,037               |
|                                  |                      |                      |                      |
| Total miscellaneous              | 959,300              | 524,300              | 512,500              |
|                                  |                      |                      |                      |
| <b>TOTAL REVENUES</b>            | <b>\$ 45,814,066</b> | <b>\$ 47,389,066</b> | <b>\$ 47,287,885</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|  | <b>Budget</b>        |                      | <b>Actual</b>        |
|--|----------------------|----------------------|----------------------|
|  | <b>Original</b>      | <b>Final</b>         |                      |
| <b>GENERAL GOVERNMENT</b>                            |                      |                      |                      |
| Public representation - administration               | \$ 120,022           | \$ 135,522           | \$ 142,574           |
| Village administration                               | 3,006,258            | 3,320,958            | 3,166,149            |
| Finance department                                   | 1,846,374            | 2,094,374            | 2,007,010            |
| Community development - administration               | 719,148              | 737,996              | 673,549              |
| Benefit payments                                     | 46,301               | 46,301               | 46,300               |
| <b>Total general government</b>                      | <b>5,738,103</b>     | <b>6,335,151</b>     | <b>6,035,582</b>     |
| <b>PUBLIC SAFETY</b>                                 |                      |                      |                      |
| Community development - code enforcement             | 876,610              | 876,610              | 880,723              |
| Police department                                    | 16,535,251           | 16,817,251           | 16,578,937           |
| Fire department                                      | 12,878,887           | 13,202,787           | 13,166,937           |
| <b>Total public safety</b>                           | <b>30,290,748</b>    | <b>30,896,648</b>    | <b>30,626,597</b>    |
| <b>HIGHWAYS AND STREETS</b>                          |                      |                      |                      |
| Public works department                              | 7,513,954            | 7,699,954            | 7,358,197            |
| Emergency events                                     | -                    | 135,000              | 142,283              |
| <b>Total highways and streets</b>                    | <b>7,513,954</b>     | <b>7,834,954</b>     | <b>7,500,480</b>     |
| <b>HEALTH</b>  |                      |                      |                      |
| Community development - health                       | 158,190              | 158,190              | 151,586              |
| <b>WELFARE</b>                                       |                      |                      |                      |
| Human services department                            | 1,084,236            | 1,105,836            | 1,049,675            |
| Community development - housing                      | 538,036              | 560,136              | 535,408              |
| <b>Total welfare</b>                                 | <b>1,622,272</b>     | <b>1,665,972</b>     | <b>1,585,083</b>     |
| <b>CULTURE AND RECREATION</b>                        |                      |                      |                      |
| Public representation - community and civic services | 490,799              | 505,799              | 421,517              |
| <b>TOTAL EXPENDITURES</b>                            | <b>\$ 45,814,066</b> | <b>\$ 47,396,714</b> | <b>\$ 46,320,845</b> |

(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, 2014

|  | Budget    |           | Actual    |
|--|-----------|-----------|-----------|
|  | Original  | Final     |           |
| <b>GENERAL GOVERNMENT</b>                    |           |           |           |
| Public representation - administration       |           |           |           |
| Mayor and Board of Trustees                  |           |           |           |
| Personal services                            | \$ 31,678 | \$ 31,678 | \$ 31,953 |
| Employee benefits                            | 6,037     | 6,037     | 6,159     |
| Other employee costs                         | 1,989     | 1,989     | 2,740     |
| Contractual services                         | 71,442    | 86,942    | 92,285    |
| Utilities                                    | 423       | 423       | 356       |
| Commodities and supplies                     | 2,010     | 2,010     | 2,139     |
| Total Mayor and Board of Trustees            | 113,579   | 129,079   | 135,632   |
| Advisory boards and commissions              |           |           |           |
| Personal services                            | 3,755     | 3,755     | 3,911     |
| Employee benefits                            | 2,238     | 2,238     | 2,201     |
| Contractual services                         | 250       | 250       | 74        |
| Commodities and supplies                     | 200       | 200       | 200       |
| Capital expenditures                         | -         | -         | 556       |
| Total advisory boards and commissions        | 6,443     | 6,443     | 6,942     |
| Total public representation - administration | 120,022   | 135,522   | 142,574   |
| Village administration                       |           |           |           |
| Village Manager's office                     |           |           |           |
| Personal services                            | 376,007   | 376,007   | 404,179   |
| Employee benefits                            | 174,718   | 174,718   | 188,508   |
| Other employee costs                         | 7,544     | 7,544     | 6,028     |
| Contractual services                         | 9,707     | 9,707     | 7,534     |
| Utilities                                    | 2,882     | 2,882     | 3,679     |
| Commodities and supplies                     | 4,978     | 4,978     | 4,943     |
| Capital expenditures                         | 200       | 200       | 164       |
| Total Village Manager's office               | 576,036   | 576,036   | 615,035   |
| Legal services                               |           |           |           |
| Contractual services                         | 440,800   | 727,800   | 736,948   |
| Human resources                              |           |           |           |
| Personal services                            | 181,029   | 181,029   | 164,243   |
| Employee benefits                            | 128,333   | 128,333   | 86,815    |
| Other employee costs                         | 12,600    | 12,600    | 17,114    |
| Contractual services                         | 2,750     | 2,750     | 7,413     |
| Commodities and supplies                     | 400       | 400       | 510       |
| Total human resources                        | 325,112   | 325,112   | 276,095   |
| Information technology                       |           |           |           |
| Personal services                            | 361,210   | 361,210   | 363,415   |
| Employee benefits                            | 149,810   | 149,810   | 150,705   |
| Other employee costs                         | 5,600     | 5,600     | 2,382     |
| Contractual services                         | 397,420   | 422,020   | 387,530   |
| Utilities                                    | 5,203     | 5,203     | 5,327     |
| Commodities and supplies                     | 4,300     | 4,300     | 2,465     |
| Capital expenditures                         | 5,250     | 5,250     | 5,241     |
| Total information technology                 | 928,793   | 953,393   | 917,065   |

(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, 2014

|                                       | Budget    |           | Actual    |
|---------------------------------------|-----------|-----------|-----------|
|                                       | Original  | Final     |           |
| <b>GENERAL GOVERNMENT (Continued)</b> |           |           |           |
| Village administration (Continued)    |           |           |           |
| Public information                    |           |           |           |
| Personal services                     | \$ 64,261 | \$ 64,261 | \$ 50,917 |
| Employee benefits                     | 34,876    | 34,876    | 27,888    |
| Other employee costs                  | 6,500     | 6,500     | 866       |
| Contractual services                  | 127,444   | 127,444   | 77,311    |
| Utilities                             | 867       | 867       | 770       |
| Commodities and supplies              | 1,310     | 1,310     | 282       |
| Total public information              | 235,258   | 235,258   | 158,034   |
| Television services division          |           |           |           |
| Personal services                     | 89,385    | 89,385    | 93,561    |
| Employee benefits                     | 44,971    | 44,971    | 44,519    |
| Other employee costs                  | 765       | 765       | 730       |
| Contractual services                  | 30,764    | 30,764    | 27,769    |
| Utilities                             | 1,581     | 1,581     | 1,307     |
| Commodities and supplies              | 5,610     | 5,610     | 5,472     |
| Capital expenditures                  | 8,100     | 8,100     | 4,394     |
| Total television services division    | 181,176   | 181,176   | 177,752   |
| Computer hardware/software            |           |           |           |
| Capital expenditures                  | 99,509    | 102,609   | 73,827    |
| Total computer hardware/software      | 99,509    | 102,609   | 73,827    |
| Village Clerk's office                |           |           |           |
| Administration and support            |           |           |           |
| Personal services                     | 125,713   | 125,713   | 127,247   |
| Employee benefits                     | 57,839    | 57,839    | 57,509    |
| Other employee costs                  | 933       | 933       | 470       |
| Contractual services                  | 33,278    | 33,278    | 24,999    |
| Utilities                             | 791       | 791       | 653       |
| Commodities and supplies              | 1,020     | 1,020     | 515       |
| Total Village Clerk's office          | 219,574   | 219,574   | 211,393   |
| Total Village administration          | 3,006,258 | 3,320,958 | 3,166,149 |
| Finance department                    |           |           |           |
| Administration and support            |           |           |           |
| Personal services                     | 126,679   | 126,679   | 128,054   |
| Employee benefits                     | 44,864    | 44,864    | 39,671    |
| Other employee costs                  | 9,750     | 9,750     | 8,925     |
| Contractual services                  | 166,445   | 234,445   | 206,371   |
| Utilities                             | 4,835     | 4,835     | 4,446     |
| Commodities and supplies              | 22,990    | 22,990    | 16,618    |
| Capital expenditures                  | -         | 180,000   | 179,083   |
| Total administration and support      | 375,563   | 623,563   | 583,168   |

(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, 2014

|  | Budget     |            | Actual     |
|--|------------|------------|------------|
|  | Original   | Final      |            |
| <b>GENERAL GOVERNMENT (Continued)</b>  |            |            |            |
| Finance department (Continued)         |            |            |            |
| Accounting                             |            |            |            |
| Personal services                      | \$ 323,887 | \$ 323,887 | \$ 329,371 |
| Employee benefits                      | 160,750    | 160,750    | 160,278    |
| Contractual services                   | 4,085      | 4,085      | 2,830      |
| Commodities and supplies               | 5,578      | 5,578      | 3,279      |
| Total accounting                       | 494,300    | 494,300    | 495,758    |
| Insurance                              |            |            |            |
| Personal services                      | 34,185     | 34,185     | 34,528     |
| Employee benefits                      | 11,033     | 11,033     | 11,649     |
| Insurance                              | 350,519    | 350,519    | 350,531    |
| Total insurance                        | 395,737    | 395,737    | 396,708    |
| Customer service                       |            |            |            |
| Personal services                      | 315,360    | 315,360    | 307,713    |
| Employee benefits                      | 153,702    | 153,702    | 124,781    |
| Contractual services                   | 66,203     | 66,203     | 61,313     |
| Commodities and supplies               | 12,860     | 12,860     | 8,376      |
| Total customer service                 | 548,125    | 548,125    | 502,183    |
| Cash management                        |            |            |            |
| Personal services                      | 24,125     | 24,125     | 24,469     |
| Employee benefits                      | 8,524      | 8,524      | 4,724      |
| Total cash management                  | 32,649     | 32,649     | 29,193     |
| Total finance department               | 1,846,374  | 2,094,374  | 2,007,010  |
| Community development - administration |            |            |            |
| Administration and support             |            |            |            |
| Personal services                      | 188,254    | 188,254    | 184,743    |
| Employee benefits                      | 104,346    | 104,346    | 100,327    |
| Other employee costs                   | 3,825      | 3,825      | 2,979      |
| Utilities                              | 2,105      | 2,105      | 653        |
| Commodities and supplies               | 1,020      | 1,020      | 1,020      |
| Total administration and support       | 299,550    | 299,550    | 289,722    |
| Planning and zoning                    |            |            |            |
| Personal services                      | 195,090    | 195,090    | 195,583    |
| Employee benefits                      | 67,841     | 67,841     | 60,209     |
| Other employee costs                   | 7,127      | 7,127      | 6,270      |
| Contractual services                   | 23,614     | 23,614     | 15,383     |
| Utilities                              | 1,224      | 1,224      | 980        |
| Commodities and supplies               | 3,417      | 3,417      | 2,670      |
| Total planning and zoning              | 298,313    | 298,313    | 281,095    |

(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, 2014

|  | Budget    |           | Actual    |
|--|-----------|-----------|-----------|
|  | Original  | Final     |           |
| <b>GENERAL GOVERNMENT (Continued)</b>              |           |           |           |
| Community development - administration (Continued) |           |           |           |
| Economic development                               |           |           |           |
| Personal services                                  | \$ 61,085 | \$ 61,085 | \$ 61,581 |
| Employee benefits                                  | 22,970    | 22,970    | 22,162    |
| Other employee costs                               | 1,530     | 1,530     | 1,250     |
| Contractual services                               | 35,700    | 54,548    | 17,739    |
| Total economic development                         | 121,285   | 140,133   | 102,732   |
| Total community development - administration       | 719,148   | 737,996   | 673,549   |
| Benefit payments                                   |           |           |           |
| Contractual services                               | 46,301    | 46,301    | 46,300    |
| Total benefit payments                             | 46,301    | 46,301    | 46,300    |
| Total general government                           | 5,738,103 | 6,335,151 | 6,035,582 |
| <b>PUBLIC SAFETY</b>                               |           |           |           |
| Community development - code enforcement           |           |           |           |
| Building inspections                               |           |           |           |
| Personal services                                  | 323,696   | 323,696   | 311,795   |
| Employee benefits                                  | 158,280   | 158,280   | 155,234   |
| Other employee costs                               | 7,451     | 7,451     | 4,590     |
| Contractual services                               | 369,877   | 369,877   | 395,599   |
| Utilities  | 9,291     | 9,291     | 8,374     |
| Commodities and supplies                           | 8,015     | 8,015     | 5,131     |
| Total community development - code enforcement     | 876,610   | 876,610   | 880,723   |
| Police department                                  |           |           |           |
| Administration and support                         |           |           |           |
| Personal services                                  | 417,646   | 480,646   | 484,007   |
| Employee benefits                                  | 3,268,019 | 3,423,019 | 3,414,036 |
| Other employee costs                               | 158,450   | 158,450   | 124,769   |
| Contractual services                               | 72,930    | 72,930    | 73,123    |
| Utilities  | 31,265    | 31,265    | 26,887    |
| Commodities and supplies                           | 20,681    | 20,681    | 16,111    |
| Capital expenditures                               | 18,015    | 18,015    | 615       |
| Total administration and support                   | 3,987,006 | 4,205,006 | 4,139,548 |
| Records  |           |           |           |
| Personal services                                  | 276,143   | 276,143   | 266,670   |
| Employee benefits                                  | 98,660    | 98,660    | 97,356    |
| Total records                                      | 374,803   | 374,803   | 364,026   |
| Patrol and traffic enforcement                     |           |           |           |
| Personal services                                  | 6,702,134 | 6,766,134 | 6,825,077 |
| Employee benefits                                  | 1,298,527 | 1,298,527 | 1,329,215 |
| Contractual services                               | 567,592   | 567,592   | 568,160   |
| Commodities and supplies                           | 64,634    | 64,634    | 68,192    |
| Capital expenditures                               | 5,685     | 5,685     | 4,086     |
| Total patrol and traffic enforcement               | 8,638,572 | 8,702,572 | 8,794,730 |

(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, 2014

|  | Budget     |            | Actual     |
|--|------------|------------|------------|
|  | Original   | Final      |            |
| <b>PUBLIC SAFETY (Continued)</b>           |            |            |            |
| Police department (Continued)              |            |            |            |
| Technical services                         |            |            |            |
| Personal services                          | \$ 275,899 | \$ 275,899 | \$ 274,935 |
| Employee benefits                          | 65,594     | 65,594     | 71,789     |
| Total technical services                   | 341,493    | 341,493    | 346,724    |
| Auxiliary service                          |            |            |            |
| Personal services                          | 210,143    | 210,143    | 207,556    |
| Employee benefits                          | 78,248     | 78,248     | 80,929     |
| Total auxiliary services                   | 288,391    | 288,391    | 288,485    |
| Crime prevention and public services       |            |            |            |
| Personal services                          | 122,371    | 122,371    | 124,630    |
| Employee benefits                          | 38,815     | 38,815     | 39,507     |
| Other employee costs                       | 2,244      | 2,244      | 282        |
| Contractual services                       | 765        | 765        | 439        |
| Commodities and supplies                   | 8,563      | 8,563      | 13,590     |
| Total crime prevention and public services | 172,758    | 172,758    | 178,448    |
| Investigative                              |            |            |            |
| Personal services                          | 1,516,207  | 1,516,207  | 1,359,966  |
| Employee benefits                          | 344,494    | 344,494    | 302,542    |
| Contractual services                       | 38,946     | 38,946     | 27,901     |
| Commodities and supplies                   | 5,215      | 5,215      | 2,714      |
| Capital expenditures                       | 900        | 900        | 507        |
| Total investigative                        | 1,905,762  | 1,905,762  | 1,693,630  |
| Equipment maintenance                      |            |            |            |
| Contractual services                       | 781,916    | 781,916    | 746,172    |
| Commodities and supplies                   | 23,100     | 23,100     | 12,781     |
| Capital expenditures                       | 5,850      | 5,850      | 1,671      |
| Total equipment maintenance                | 810,866    | 810,866    | 760,624    |
| Computer software/hardware                 |            |            |            |
| Capital expenditures                       | 15,600     | 15,600     | 12,722     |
| Total police department                    | 16,535,251 | 16,817,251 | 16,578,937 |
| Fire department                            |            |            |            |
| Administration and support                 |            |            |            |
| Personal services                          | 596,201    | 596,201    | 603,555    |
| Employee benefits                          | 2,769,988  | 2,913,988  | 2,870,761  |
| Other employee costs                       | 72,712     | 74,137     | 68,846     |
| Contractual services                       | 28,920     | 33,690     | 36,288     |
| Commodities and supplies                   | 8,100      | 8,300      | 7,232      |
| Capital expenditures                       | 5,270      | 5,270      | 4,297      |
| Total administration and support           | 3,481,191  | 3,631,586  | 3,590,979  |

(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, 2014

|                                  | Budget       |              | Actual       |
|----------------------------------|--------------|--------------|--------------|
|                                  | Original     | Final        |              |
| <b>PUBLIC SAFETY (Continued)</b> |              |              |              |
| Fire department (Continued)      |              |              |              |
| Fire department operations       |              |              |              |
| Personal services                | \$ 6,470,706 | \$ 6,649,706 | \$ 6,669,373 |
| Employee benefits                | 1,146,648    | 1,146,648    | 1,175,169    |
| Other employee costs             | 50,340       | 47,740       | 47,661       |
| Contractual services             | 138,600      | 137,586      | 139,371      |
| Commodities and supplies         | 21,937       | 21,567       | 18,978       |
| Capital expenditures             | 71,708       | 73,497       | 72,742       |
| Total fire department operations | 7,899,939    | 8,076,744    | 8,123,294    |
| Fire prevention                  |              |              |              |
| Personal services                | 367,639      | 367,639      | 356,954      |
| Employee benefits                | 153,661      | 153,661      | 143,236      |
| Other employee costs             | 5,600        | 2,900        | 2,814        |
| Contractual services             | 7,400        | 5,852        | 5,851        |
| Commodities and supplies         | 8,700        | 9,600        | 9,310        |
| Total fire prevention            | 543,000      | 539,652      | 518,165      |
| Communications                   |              |              |              |
| Contractual services             | 5,550        | 3,650        | 2,787        |
| Utilities                        | 32,385       | 32,385       | 31,580       |
| Commodities and supplies         | 1,500        | 1,500        | 1,469        |
| Capital expenditures             | 7,500        | 7,500        | 7,420        |
| Total communications             | 46,935       | 45,035       | 43,256       |
| Equipment maintenance            |              |              |              |
| Contractual services             | 847,496      | 847,496      | 847,496      |
| Total equipment maintenance      | 847,496      | 847,496      | 847,496      |
| Emergency preparedness           |              |              |              |
| Other employee costs             | 1,250        | 1,250        | 320          |
| Contractual services             | 4,000        | 4,000        | 2,867        |
| Commodities and supplies         | 5,640        | 5,640        | 4,679        |
| Total emergency preparedness     | 10,890       | 10,890       | 7,866        |
| Paid on call                     |              |              |              |
| Personal services                | 28,722       | 28,722       | 17,895       |
| Employee benefits                | 1,719        | 1,719        | 1,357        |
| Other employee costs             | 12,270       | 10,270       | 4,159        |
| Capital expenditures             | 1,625        | 5,573        | 5,498        |
| Total paid on call               | 44,336       | 46,284       | 28,909       |

(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, 2014

|                                      | Budget     |            | Actual     |
|--------------------------------------|------------|------------|------------|
|                                      | Original   | Final      |            |
| <b>PUBLIC SAFETY (Continued)</b>     |            |            |            |
| Fire department (Continued)          |            |            |            |
| Improvements                         |            |            |            |
| Computer hardware/software           |            |            |            |
| Computer software                    | \$ 5,100   | \$ 5,100   | \$ 6,972   |
| Total improvements                   | 5,100      | 5,100      | 6,972      |
| Total fire department                | 12,878,887 | 13,202,787 | 13,166,937 |
| Total public safety                  | 30,290,748 | 30,896,648 | 30,626,597 |
| <b>HIGHWAYS AND STREETS</b>          |            |            |            |
| Public works department              |            |            |            |
| Administration and support           |            |            |            |
| Personal services                    | 228,866    | 228,866    | 232,632    |
| Employee benefits                    | 145,628    | 178,628    | 183,584    |
| Other employee costs                 | 26,291     | 26,291     | 22,863     |
| Contractual services                 | 1,035,272  | 1,035,272  | 1,035,191  |
| Utilities                            | 13,796     | 13,796     | 10,726     |
| Commodities and supplies             | 14,806     | 14,806     | 15,958     |
| Capital expenditures                 | 1,484      | 1,484      | 767        |
| Total administration and support     | 1,466,143  | 1,499,143  | 1,501,721  |
| Street and buildings division        |            |            |            |
| Administration                       |            |            |            |
| Personal services                    | 101,714    | 101,714    | 106,494    |
| Employee benefits                    | 46,609     | 46,609     | 48,832     |
| Utilities                            | 3,162      | 3,162      | 2,330      |
| Commodities and supplies             | 270        | 270        | 267        |
| Total administration                 | 151,755    | 151,755    | 157,923    |
| Maintenance - public buildings       |            |            |            |
| Personal services                    | 417,233    | 479,233    | 466,537    |
| Employee benefits                    | 167,103    | 167,103    | 179,519    |
| Contractual services                 | 372,023    | 362,023    | 282,608    |
| Utilities                            | 51,197     | 61,197     | 65,339     |
| Commodities and supplies             | 116,236    | 116,236    | 103,927    |
| Other expenditures                   | 4,080      | 4,080      | -          |
| Total maintenance - public buildings | 1,127,872  | 1,189,872  | 1,097,930  |
| Street maintenance                   |            |            |            |
| Personal services                    | 120,855    | 145,855    | 175,073    |
| Employee benefits                    | 37,280     | 37,280     | 61,227     |
| Contractual services                 | 23,648     | 23,648     | 13,473     |
| Commodities and supplies             | 26,485     | 26,485     | 24,286     |
| Total street maintenance             | 208,268    | 233,268    | 274,059    |

(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, 2014

|   | Budget     |            | Actual     |
|---|------------|------------|------------|
|   | Original   | Final      |            |
| <b>HIGHWAYS AND STREETS (Continued)</b>   |            |            |            |
| Public works department (Continued)       |            |            |            |
| Street and buildings division (Continued) |            |            |            |
| Snow removal                              |            |            |            |
| Personal services                         | \$ 309,391 | \$ 344,391 | \$ 354,877 |
| Employee benefits                         | 119,755    | 119,755    | 127,756    |
| Contractual services                      | 114,725    | 114,725    | 107,391    |
| Commodities and supplies                  | 13,153     | 13,153     | 10,305     |
| Capital expenditures                      | 15,000     | 15,000     | 14,921     |
| Total snow removal                        | 572,024    | 607,024    | 615,250    |
| Storm sewer/basin maintenance             |            |            |            |
| Personal services                         | 65,990     | 65,990     | 73,211     |
| Employee benefits                         | 24,529     | 24,529     | 22,901     |
| Contractual services                      | 11,904     | 11,904     | 7,316      |
| Commodities and supplies                  | 7,376      | 7,376      | 1,138      |
| Total storm sewer/basin maintenance       | 109,799    | 109,799    | 104,566    |
| Maintenance of state highways             |            |            |            |
| Personal services                         | 30,107     | 30,107     | 33,347     |
| Employee benefits                         | 12,999     | 12,999     | 12,858     |
| Contractual services                      | 18,097     | 18,097     | 13,271     |
| Commodities and supplies                  | 29,257     | 29,257     | 24,476     |
| Total maintenance of state highways       | 90,460     | 90,460     | 83,952     |
| Traffic sign maintenance                  |            |            |            |
| Personal services                         | 78,784     | 78,784     | 90,427     |
| Employee benefits                         | 28,019     | 28,019     | 28,591     |
| Commodities and supplies                  | 16,195     | 16,195     | 16,131     |
| Total traffic sign maintenance            | 122,998    | 122,998    | 135,149    |
| Total street and buildings division       | 2,383,176  | 2,505,176  | 2,468,829  |
| Forestry division                         |            |            |            |
| Administration and support                |            |            |            |
| Personal services                         | 175,718    | 175,718    | 140,472    |
| Employee benefits                         | 74,304     | 74,304     | 68,699     |
| Commodities and supplies                  | 450        | 450        | 75         |
| Total administration and support          | 250,472    | 250,472    | 209,246    |
| Maintenance of grounds                    |            |            |            |
| Personal services                         | 269,646    | 269,646    | 265,375    |
| Employee benefits                         | 102,642    | 102,642    | 92,007     |
| Contractual services                      | 123,916    | 123,916    | 108,408    |
| Commodities and supplies                  | 8,829      | 8,829      | 8,390      |
| Capital expenditures                      | 45,390     | 45,390     | 36,861     |
| Total maintenance of grounds              | 550,423    | 550,423    | 511,041    |

(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, 2014

|   | Budget     |            | Actual     |
|---|------------|------------|------------|
|   | Original   | Final      |            |
| <b>HIGHWAYS AND STREETS (Continued)</b>   |            |            |            |
| Public works department (Continued)       |            |            |            |
| Forestry program                          |            |            |            |
| Personal services                         | \$ 329,063 | \$ 353,063 | \$ 345,842 |
| Employee benefits                         | 134,970    | 134,970    | 138,167    |
| Other employee costs                      | 5,971      | 5,971      | 5,971      |
| Contractual services                      | 447,980    | 458,080    | 424,525    |
| Utilities                                 | 3,162      | 3,162      | 2,062      |
| Commodities and supplies                  | 10,916     | 10,916     | 9,359      |
| Total forestry program                    | 932,062    | 966,162    | 925,926    |
| Public grounds beautification             |            |            |            |
| Personal services                         | 27,419     | 27,419     | 29,284     |
| Employee benefits                         | 10,019     | 10,019     | 10,366     |
| Contractual services                      | 2,448      | 2,448      | -          |
| Commodities and supplies                  | 32,835     | 36,435     | 33,821     |
| Total public grounds beautification       | 72,721     | 76,321     | 73,471     |
| Total forestry division                   | 1,805,678  | 1,843,378  | 1,719,684  |
| Engineering division                      |            |            |            |
| Engineering services                      |            |            |            |
| Personal services                         | 612,772    | 612,772    | 613,926    |
| Employee benefits                         | 259,930    | 259,930    | 232,482    |
| Other employee costs                      | 3,623      | 3,623      | 3,623      |
| Contractual services                      | 60,590     | 60,590     | 56,870     |
| Utilities                                 | 4,900      | 4,900      | 4,310      |
| Commodities and supplies                  | 7,247      | 7,247      | 3,192      |
| Capital expenditures                      | 2,226      | 2,226      | 1,261      |
| Total engineering services                | 951,288    | 951,288    | 915,664    |
| Traffic control and street lighting       |            |            |            |
| Personal services                         | 121,415    | 121,415    | 124,905    |
| Employee benefits                         | 49,639     | 49,639     | 51,335     |
| Contractual services                      | 10,098     | 10,098     | 4,293      |
| Utilities                                 | 75,480     | 75,480     | 43,726     |
| Commodities and supplies                  | 25,245     | 25,245     | 12,137     |
| Total traffic control and street lighting | 281,877    | 281,877    | 236,396    |
| Total engineering division                | 1,233,165  | 1,233,165  | 1,152,060  |
| Capital expenditures                      |            |            |            |
| Software development                      | 15,000     | 15,000     | 772        |
| Infrastructure                            |            |            |            |
| Storm sewer                               | 100,000    | 100,000    | 70,223     |
| Resurfacing/curbs                         | 85,000     | 85,000     | 58,311     |
| Miscellaneous - forestry                  | 425,792    | 419,092    | 386,597    |
| Total capital expenditures                | 625,792    | 619,092    | 515,903    |
| Emergency events                          |            |            |            |
| Contractual services                      | -          | 80,500     | 87,986     |
| Commodities and supplies                  | -          | 54,500     | 54,297     |
| Total emergency events                    | -          | 135,000    | 142,283    |
| Total highways and streets                | 7,513,954  | 7,834,954  | 7,500,480  |

(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, 2014

|   | Budget    |           | Actual    |
|---|-----------|-----------|-----------|
|   | Original  | Final     |           |
| <b>HEALTH</b>                           |           |           |           |
| Community development - health          |           |           |           |
| Health inspections                      |           |           |           |
| Personal services                       | \$ 95,434 | \$ 95,434 | \$ 95,059 |
| Employee benefits                       | 48,271    | 48,271    | 47,451    |
| Other employee costs                    | 1,341     | 1,341     | 1,055     |
| Contractual services                    | 9,060     | 9,060     | 7,175     |
| Utilities                               | 1,823     | 1,823     | 515       |
| Commodities and supplies                | 2,261     | 2,261     | 331       |
| Total health                            | 158,190   | 158,190   | 151,586   |
| <b>WELFARE</b>                          |           |           |           |
| Human services department               |           |           |           |
| Administration and support              |           |           |           |
| Personal services                       | 100,410   | 100,410   | 93,456    |
| Employee benefits                       | 57,023    | 76,023    | 77,550    |
| Other employee costs                    | 808       | 808       | 674       |
| Contractual services                    | 6,375     | 6,375     | 3,320     |
| Utilities                               | 5,590     | 5,590     | 5,049     |
| Commodities and supplies                | 3,006     | 5,606     | 4,557     |
| Capital expenditures                    | 100       | 100       | -         |
| Total administration and support        | 173,312   | 194,912   | 184,606   |
| Social services                         |           |           |           |
| Personal services                       | 253,718   | 253,718   | 231,205   |
| Employee benefits                       | 101,855   | 101,855   | 90,454    |
| Other employee costs                    | 1,173     | 1,173     | 605       |
| Commodities and supplies                | 510       | 510       | 442       |
| Total social services                   | 357,256   | 357,256   | 322,706   |
| Nursing/health services                 |           |           |           |
| Personal services                       | 118,433   | 118,433   | 119,235   |
| Employee benefits                       | 59,320    | 59,320    | 60,102    |
| Other employee costs                    | 918       | 918       | 213       |
| Contractual services                    | 714       | 714       | 946       |
| Commodities and supplies                | 2,709     | 2,709     | 1,547     |
| Total nursing/health services           | 182,094   | 182,094   | 182,043   |
| Senior citizen leisure activities       |           |           |           |
| Personal services                       | 20,345    | 20,345    | 19,827    |
| Employee benefits                       | 8,867     | 8,867     | 9,035     |
| Total senior citizen leisure activities | 29,212    | 29,212    | 28,862    |
| Community Connections Center            |           |           |           |
| Personal services                       | 174,298   | 174,298   | 178,631   |
| Employee benefits                       | 62,840    | 62,840    | 62,671    |
| Other employee costs                    | 1,421     | 1,421     | 466       |
| Contractual services                    | 95,722    | 95,722    | 84,713    |
| Utilities                               | 5,327     | 5,327     | 3,154     |
| Commodities and supplies                | 2,754     | 2,754     | 1,823     |
| Total Community Connections Center      | 342,362   | 342,362   | 331,458   |
| Total human services department         | 1,084,236 | 1,105,836 | 1,049,675 |

(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, 2014

|   | Budget               |                      | Actual               |
|---|----------------------|----------------------|----------------------|
|   | Original             | Final                |                      |
| <b>WELFARE</b>                                  |                      |                      |                      |
| Community development - housing                 |                      |                      |                      |
| Housing inspections                             |                      |                      |                      |
| Personal services                               | \$ 323,065           | \$ 323,065           | \$ 314,794           |
| Employee benefits                               | 148,423              | 148,423              | 145,367              |
| Other employee costs                            | 4,979                | 4,979                | 2,951                |
| Contractual services                            | 51,938               | 74,038               | 69,286               |
| Utilities                                       | 4,993                | 4,993                | 531                  |
| Commodities and supplies                        | 4,638                | 4,638                | 2,479                |
| Total community development - housing           | 538,036              | 560,136              | 535,408              |
| Total welfare                                   | 1,622,272            | 1,665,972            | 1,585,083            |
| <b>CULTURE AND RECREATION</b>                   |                      |                      |                      |
| Community groups and miscellaneous              |                      |                      |                      |
| Contractual services                            | 134,500              | 134,500              | 121,209              |
| Other expenditures                              | 7,000                | 7,000                | 5,754                |
| Total community groups and miscellaneous        | 141,500              | 141,500              | 126,963              |
| Public relations - community and civic services |                      |                      |                      |
| 4th of July and civic events                    |                      |                      |                      |
| Personal services                               | 125,611              | 140,611              | 139,777              |
| Employee benefits                               | 46,337               | 46,337               | 43,848               |
| Contractual services                            | 55,930               | 55,930               | 25,343               |
| Commodities and supplies                        | 38,219               | 38,219               | 27,465               |
| Total 4th of July and civic events              | 266,097              | 281,097              | 236,433              |
| Holiday decorations                             |                      |                      |                      |
| Personal services                               | 8,403                | 8,403                | 8,725                |
| Employee benefits                               | 2,305                | 2,305                | 2,387                |
| Contractual services                            | 47,828               | 47,828               | 27,983               |
| Commodities and supplies                        | 21,930               | 21,930               | 16,210               |
| Total holiday decorations                       | 80,466               | 80,466               | 55,305               |
| Blood drive program                             |                      |                      |                      |
| Personal services                               | 1,844                | 1,844                | 1,843                |
| Employee benefits                               | 142                  | 142                  | 141                  |
| Commodities and supplies                        | 750                  | 750                  | 832                  |
| Total blood drive program                       | 2,736                | 2,736                | 2,816                |
| Total culture and recreation                    | 490,799              | 505,799              | 421,517              |
| <b>TOTAL EXPENDITURES</b>                       | <b>\$ 45,814,066</b> | <b>\$ 47,396,714</b> | <b>\$ 46,320,845</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL**

**REFUSE DISPOSAL FUND**

For the Year Ended December 31, 2014

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|                                 | <b>Budget</b>       |                     | <b>Actual</b>       |
|---------------------------------|---------------------|---------------------|---------------------|
|                                 | <b>Original</b>     | <b>Final</b>        |                     |
| <b>TAXES</b>                    |                     |                     |                     |
| Property - levy                 | \$ 342,000          | \$ 342,000          | \$ 342,000          |
| <b>CHARGES FOR SERVICES</b>     |                     |                     |                     |
| Single-family service charges   | 1,925,000           | 1,925,000           | 1,985,428           |
| Multi-family service charges    | 975,000             | 975,000             | 936,980             |
| Single-family penalties         | 20,000              | 20,000              | 22,916              |
| Multi-family penalties          | 5,000               | 5,000               | 3,799               |
| Contract administrative fees    | 173,000             | 173,000             | 170,705             |
| Refuse stickers                 | 185,000             | 185,000             | 172,179             |
| Recycling bins                  | 500                 | 500                 | 500                 |
| Total charges for services      | 3,283,500           | 3,283,500           | 3,292,507           |
| <b>INVESTMENT INCOME</b>        | 500                 | 500                 | 604                 |
| <b>MISCELLANEOUS</b>            | 500                 | 10,500              | 11,022              |
| <b>TOTAL OPERATING REVENUES</b> | <u>\$ 3,626,500</u> | <u>\$ 3,636,500</u> | <u>\$ 3,646,133</u> |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**DEBT SERVICE FUND**

For the Year Ended December 31, 2014

|                                   | <b>Budget</b>    |                  | <b>Actual</b>     |
|-----------------------------------|------------------|------------------|-------------------|
|                                   | <b>Original</b>  | <b>Final</b>     |                   |
| <b>REVENUES</b>                   |                  |                  |                   |
| Taxes                             |                  |                  |                   |
| Property - levy                   | \$ 2,237,000     | \$ 2,237,000     | \$ 2,237,000      |
| Other taxes                       |                  |                  |                   |
| Home rule sales tax               | 1,056,532        | 1,056,532        | 1,056,532         |
| Investment income                 | 400              | 400              | 96                |
| Intergovernmental revenue         | 43,005           | 1,617,883        | 1,618,709         |
| Miscellaneous                     |                  |                  |                   |
| Other revenue                     | -                | -                | 112               |
| <b>Total revenues</b>             | <b>3,336,937</b> | <b>4,911,815</b> | <b>4,912,449</b>  |
| <b>EXPENDITURES</b>               |                  |                  |                   |
| Debt service                      |                  |                  |                   |
| Principal retirement              | 1,532,587        | 2,987,587        | 2,987,587         |
| Interest and fiscal charges       | 1,795,913        | 1,915,791        | 1,914,718         |
| <b>Total expenditures</b>         | <b>3,328,500</b> | <b>4,903,378</b> | <b>4,902,305</b>  |
| <b>NET CHANGE IN FUND BALANCE</b> | <b>\$ 8,437</b>  | <b>\$ 8,437</b>  | <b>10,144</b>     |
| <b>FUND BALANCE, JANUARY 1</b>    |                  |                  | <b>121,491</b>    |
| <b>FUND BALANCE, DECEMBER 31</b>  |                  |                  | <b>\$ 131,635</b> |

(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

For the Year Ended December 31, 2014

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|                                  | Budget                 |                       | Actual                      |
|----------------------------------|------------------------|-----------------------|-----------------------------|
|                                  | Original               | Final                 |                             |
| <b>REVENUES</b>                  |                        |                       |                             |
| Taxes                            |                        |                       |                             |
| Other taxes                      |                        |                       |                             |
| Home rule sales tax              | \$ 289,468             | \$ 289,468            | \$ 298,841                  |
| Investment income                | 500                    | 500                   | 12,273                      |
|                                  | <hr/>                  |                       |                             |
| Total revenues                   | 289,968                | 289,968               | 311,114                     |
|                                  | <hr/>                  |                       |                             |
| <b>EXPENDITURES</b>              |                        |                       |                             |
| Capital outlay                   |                        |                       |                             |
| Public improvements              |                        |                       |                             |
| Infrastructure                   | 10,805,000             | 1,488,800             | 555,392                     |
| Other                            | 6,000                  | 6,000                 | 916                         |
|                                  | <hr/>                  |                       |                             |
| Total expenditures               | 10,811,000             | 1,494,800             | 556,308                     |
|                                  | <hr/>                  |                       |                             |
| NET CHANGE IN FUND BALANCE       | <u>\$ (10,521,032)</u> | <u>\$ (1,204,832)</u> | (245,194)                   |
| FUND BALANCE, JANUARY 1          |                        |                       | <u>11,672,318</u>           |
| <b>FUND BALANCE, DECEMBER 31</b> |                        |                       | <u><u>\$ 11,427,124</u></u> |

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

FLOOD CONTROL CONSTRUCTION FUND

For the Year Ended December 31, 2014

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|                                      | Budget               |                     | Actual            |
|--------------------------------------|----------------------|---------------------|-------------------|
|                                      | Original             | Final               |                   |
| <b>CAPITAL OUTLAY</b>                |                      |                     |                   |
| Public improvements                  |                      |                     |                   |
| Infrastructure                       |                      |                     |                   |
| Creek bank stabilization             | \$ 25,000            | \$ 38,800           | \$ 32,818         |
| Creek tree trimming                  | 25,000               | 25,000              | 24,362            |
| Levee 37                             | 175,000              | 175,000             | 14,816            |
| Private property drainage            | 100,000              | 100,000             | 98,307            |
| Prospect Meadows flood improvements  | 650,000              | 720,000             | 11,591            |
| Weller Creek improvements            | 30,000               | 30,000              | -                 |
| Isabella combined sewer improvements | 9,800,000            | 400,000             | 373,498           |
| Total infrastructure                 | 10,805,000           | 1,488,800           | 555,392           |
| Other                                |                      |                     |                   |
| Electricity                          | 1,000                | 1,000               | 916               |
| Residential reimbursements           | 5,000                | 5,000               | -                 |
| Total other                          | 6,000                | 6,000               | 916               |
| <b>TOTAL EXPENDITURES</b>            | <b>\$ 10,811,000</b> | <b>\$ 1,494,800</b> | <b>\$ 556,308</b> |

(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**

For the Year Ended December 31, 2014

|                                  | <b>Budget</b>       |                     | <b>Actual</b>              |
|----------------------------------|---------------------|---------------------|----------------------------|
|                                  | <b>Original</b>     | <b>Final</b>        |                            |
| <b>REVENUES</b>                  |                     |                     |                            |
| Other taxes                      |                     |                     |                            |
| Home rule sales tax              | \$ 1,346,000        | \$ 1,346,000        | \$ 1,355,373               |
| Municipal motor fuel tax         | 711,000             | 711,000             | 699,499                    |
| License fees                     | 1,045,000           | 1,045,000           | 1,019,322                  |
| Forfeited escrow funds           | -                   | 118,000             | 117,500                    |
| Investment income                | 100                 | 100                 | 4,349                      |
| Miscellaneous income             | 6,000               | 104,000             | 103,821                    |
| Total revenues                   | <u>3,108,100</u>    | <u>3,324,100</u>    | <u>3,299,864</u>           |
| <b>EXPENDITURES</b>              |                     |                     |                            |
| Capital outlay                   |                     |                     |                            |
| Contractual services             | 30,600              | 112,600             | 89,153                     |
| Infrastructure                   |                     |                     |                            |
| Street resurfacing               | 9,943,280           | 7,943,280           | 7,733,640                  |
| Total expenditures               | <u>9,973,880</u>    | <u>8,055,880</u>    | <u>7,822,793</u>           |
| <b>OTHER FINANCING SOURCES</b>   |                     |                     |                            |
| Bonds issued                     | 6,500,000           | 6,290,000           | 6,290,000                  |
| Premium on bonds issued          | -                   | 300,000             | 294,697                    |
| Total other financing sources    | <u>6,500,000</u>    | <u>6,590,000</u>    | <u>6,584,697</u>           |
| NET CHANGE IN FUND BALANCE       | <u>\$ (365,780)</u> | <u>\$ 1,858,220</u> | 2,061,768                  |
| FUND BALANCE, JANUARY 1          |                     |                     | <u>866,952</u>             |
| <b>FUND BALANCE, DECEMBER 31</b> |                     |                     | <u><u>\$ 2,928,720</u></u> |

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

## **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.

Downtown Redevelopment Construction Fund - to account for the resources to acquire property and construct certain improvements in the Downtown Redevelopment Tax Incremental Financing District No. 1. Financing is being provided by incremental property taxes and investment income.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2014

|  | <b>Special<br/>Revenue</b> | <b>Capital<br/>Projects</b> | <b>Total</b>        |
|--|----------------------------|-----------------------------|---------------------|
| <b>ASSETS</b>                                  |                            |                             |                     |
| Cash and investments                           | \$ 2,716,735               | \$ 2,471,795                | \$ 5,188,530        |
| Receivables                                    |                            |                             |                     |
| Other taxes                                    | 233,944                    | 440,075                     | 674,019             |
| Other  | 68,094                     | -                           | 68,094              |
| Due from other governments                     | 672,405                    | 604,075                     | 1,276,480           |
| Prepaid items                                  | 5,992                      | 3,245                       | 9,237               |
| <b>TOTAL ASSETS</b>                            | <b>\$ 3,697,170</b>        | <b>\$ 3,519,190</b>         | <b>\$ 7,216,360</b> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                            |                             |                     |
| <b>LIABILITIES</b>                             |                            |                             |                     |
| Accounts payable                               | \$ 1,057,778               | \$ 81,963                   | \$ 1,139,741        |
| Accrued payroll                                | 778                        | -                           | 778                 |
| Retainage payable                              | -                          | 7,500                       | 7,500               |
| Unearned revenue                               | 748,579                    | -                           | 748,579             |
| Total liabilities                              | 1,807,135                  | 89,463                      | 1,896,598           |
| <b>FUND BALANCES</b>                           |                            |                             |                     |
| Nonspendable                                   |                            |                             |                     |
| Prepaid items                                  | 5,992                      | 3,245                       | 9,237               |
| Restricted                                     |                            |                             |                     |
| Highways and streets                           | 1,397,365                  | -                           | 1,397,365           |
| Public safety - police                         | 204,693                    | -                           | 204,693             |
| Public safety - fire                           | 282,774                    | -                           | 282,774             |
| Economic development                           | -                          | 655,404                     | 655,404             |
| Assigned                                       |                            |                             |                     |
| Capital projects                               | -                          | 2,771,078                   | 2,771,078           |
| Unassigned                                     | (789)                      | -                           | (789)               |
| Total fund balances                            | 1,890,035                  | 3,429,727                   | 5,319,762           |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 3,697,170</b>        | <b>\$ 3,519,190</b>         | <b>\$ 7,216,360</b> |

(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, 2014

|                                   | <b>Special<br/>Revenue</b> | <b>Capital<br/>Projects</b> | <b>Total</b>        |
|-----------------------------------|----------------------------|-----------------------------|---------------------|
| <b>REVENUES</b>                   |                            |                             |                     |
| Property taxes                    | \$ -                       | \$ 2,311,740                | \$ 2,311,740        |
| Other taxes                       | 1,081,889                  | 1,254,676                   | 2,336,565           |
| Intergovernmental                 | 2,026,050                  | 252,375                     | 2,278,425           |
| Investment income                 | 283                        | 878                         | 1,161               |
| Miscellaneous                     | 215,987                    | 140,181                     | 356,168             |
|                                   |                            |                             |                     |
| Total revenues                    | 3,324,209                  | 3,959,850                   | 7,284,059           |
| <b>EXPENDITURES</b>               |                            |                             |                     |
| Current                           |                            |                             |                     |
| General government                | 1,014,436                  | -                           | 1,014,436           |
| Public safety                     | 80,088                     | -                           | 80,088              |
| Highways and streets              | 791,218                    | -                           | 791,218             |
| Welfare                           | 280,182                    | -                           | 280,182             |
| Capital outlay                    | -                          | 3,696,359                   | 3,696,359           |
|                                   |                            |                             |                     |
| Total expenditures                | 2,165,924                  | 3,696,359                   | 5,862,283           |
| NET CHANGE IN FUND BALANCES       | 1,158,285                  | 263,491                     | 1,421,776           |
| FUND BALANCES, JANUARY 1          | 731,750                    | 3,166,236                   | 3,897,986           |
|                                   |                            |                             |                     |
| <b>FUND BALANCES, DECEMBER 31</b> | <b>\$ 1,890,035</b>        | <b>\$ 3,429,727</b>         | <b>\$ 5,319,762</b> |
|                                   |                            |                             |                     |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2014

|  | <b>Motor<br/>Fuel Tax</b> | <b>Community<br/>Development<br/>Block Grant</b> | <b>Asset<br/>Seizure</b> | <b>Federal<br/>Equitable<br/>Share</b> |
|--|---------------------------|--|--------------------------|--|
| <b>ASSETS</b>                                  |                           |  |                          |  |
| Cash and investments                           | \$ 1,278,678              | \$ 96,489  | \$ 79,269                | \$ 19,938                              |
| Receivables                                    |                           |  |                          |  |
| Other taxes                                    | 136,405                   | -  | -                        | -                                      |
| Other  | 1,220                     | -  | 4,484                    | -                                      |
| Due from other governments                     | 4,120                     | 668,285  | -                        | -                                      |
| Prepaid items                                  | -                         | 789  | -                        | -                                      |
| <b>TOTAL ASSETS</b>                            | <b>\$ 1,420,423</b>       | <b>\$ 765,563</b>                                | <b>\$ 83,753</b>         | <b>\$ 19,938</b>                       |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                           |  |                          |  |
| <b>LIABILITIES</b>                             |                           |  |                          |  |
| Accounts payable                               | \$ 23,058                 | \$ 16,206  | \$ 78                    | \$ -                                   |
| Accrued payroll                                | -                         | 778  | -                        | -                                      |
| Unearned revenue                               | -                         | 748,579  | -                        | -                                      |
| Total liabilities                              | 23,058                    | 765,563  | 78                       | -                                      |
| <b>FUND BALANCES</b>                           |                           |  |                          |  |
| Nonspendable                                   |                           |  |                          |  |
| Prepaid items                                  | -                         | 789  | -                        | -                                      |
| Restricted                                     |                           |  |                          |  |
| Highways and streets                           | 1,397,365                 | -  | -                        | -                                      |
| Public safety - police                         | -                         | -  | 83,675                   | 19,938                                 |
| Public safety - fire                           | -                         | -  | -                        | -                                      |
| Unassigned                                     | -                         | (789)  | -                        | -                                      |
| Total fund balances                            | 1,397,365                 | -  | 83,675                   | 19,938                                 |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 1,420,423</b>       | <b>\$ 765,563</b>                                | <b>\$ 83,753</b>         | <b>\$ 19,938</b>                       |

| <b>DUI<br/>Fines</b> | <b>Foreign<br/>Fire<br/>Insurance</b> | <b>Business<br/>District</b> | <b>Total</b>        |
|----------------------|---------------------------------------|------------------------------|---------------------|
| \$ 96,142            | \$ 286,774                            | \$ 859,445                   | \$ 2,716,735        |
| -                    | -                                     | 97,539                       | 233,944             |
| 4,938                | -                                     | 57,452                       | 68,094              |
| -                    | -                                     | -                            | 672,405             |
| -                    | 5,203                                 | -                            | 5,992               |
| <b>\$ 101,080</b>    | <b>\$ 291,977</b>                     | <b>\$ 1,014,436</b>          | <b>\$ 3,697,170</b> |
| \$ -                 | \$ 4,000                              | \$ 1,014,436                 | \$ 1,057,778        |
| -                    | -                                     | -                            | 778                 |
| -                    | -                                     | -                            | 748,579             |
| -                    | 4,000                                 | 1,014,436                    | 1,807,135           |
| -                    | 5,203                                 | -                            | 5,992               |
| -                    | -                                     | -                            | 1,397,365           |
| 101,080              | -                                     | -                            | 204,693             |
| -                    | 282,774                               | -                            | 282,774             |
| -                    | -                                     | -                            | (789)               |
| 101,080              | 287,977                               | -                            | 1,890,035           |
| <b>\$ 101,080</b>    | <b>\$ 291,977</b>                     | <b>\$ 1,014,436</b>          | <b>\$ 3,697,170</b> |

(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, 2014

|                                   | <b>Motor<br/>Fuel Tax</b>  | <b>Community<br/>Development<br/>Block Grant</b> | <b>Asset<br/>Seizure</b> | <b>Federal<br/>Equitable<br/>Share</b> |
|-----------------------------------|----------------------------|--|--------------------------|--|
| <b>REVENUES</b>                   |                            |  |                          |  |
| Taxes                             | \$ -                       | \$ -   | \$ -                     | \$ -                                   |
| Intergovernmental                 | 1,830,552                  | 83,298   | 49,039                   | 24,638                                 |
| Investment income                 | 67                         | -  | 16                       | 19                                     |
| Miscellaneous                     | 19,103                     | 196,884  | -                        | -                                      |
| Total revenues                    | <u>1,849,722</u>           | <u>280,182</u>                                   | <u>49,055</u>            | <u>24,657</u>                          |
| <b>EXPENDITURES</b>               |                            |  |                          |  |
| Current                           |                            |  |                          |  |
| General government                | -                          | -  | -                        | -                                      |
| Public safety                     | -                          | -  | 8,039                    | 16,233                                 |
| Highways and streets              | 791,218                    | -  | -                        | -                                      |
| Welfare                           | -                          | 280,182  | -                        | -                                      |
| Total expenditures                | <u>791,218</u>             | <u>280,182</u>                                   | <u>8,039</u>             | <u>16,233</u>                          |
| NET CHANGE IN FUND BALANCES       | 1,058,504                  | -  | 41,016                   | 8,424                                  |
| FUND BALANCES, JANUARY 1          | <u>338,861</u>             | -  | 42,659                   | 11,514                                 |
| <b>FUND BALANCES, DECEMBER 31</b> | <u><u>\$ 1,397,365</u></u> | <u><u>\$ -</u></u>                               | <u><u>\$ 83,675</u></u>  | <u><u>\$ 19,938</u></u>                |

| <b>DUI<br/>Fines</b> | <b>Foreign<br/>Fire<br/>Insurance</b> | <b>Business<br/>District</b> | <b>Total</b>        |
|----------------------|---------------------------------------|------------------------------|---------------------|
| \$ -                 | \$ 67,577                             | \$ 1,014,312                 | \$ 1,081,889        |
| 38,523               | -                                     | -                            | 2,026,050           |
| 37                   | 103                                   | 41                           | 283                 |
| -                    | -                                     | -                            | 215,987             |
| <b>38,560</b>        | <b>67,680</b>                         | <b>1,014,353</b>             | <b>3,324,209</b>    |
| -                    | -                                     | 1,014,436                    | 1,014,436           |
| 2,767                | 53,049                                | -                            | 80,088              |
| -                    | -                                     | -                            | 791,218             |
| -                    | -                                     | -                            | 280,182             |
| <b>2,767</b>         | <b>53,049</b>                         | <b>1,014,436</b>             | <b>2,165,924</b>    |
| 35,793               | 14,631                                | (83)                         | 1,158,285           |
| <b>65,287</b>        | <b>273,346</b>                        | <b>83</b>                    | <b>731,750</b>      |
| <b>\$ 101,080</b>    | <b>\$ 287,977</b>                     | <b>\$ -</b>                  | <b>\$ 1,890,035</b> |

(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, 2014

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|                                  | <b>Budget</b>   |              | <b>Actual</b>       |
|----------------------------------|-----------------|--------------|---------------------|
|                                  | <b>Original</b> | <b>Final</b> |                     |
| <b>REVENUES</b>                  |                 |              |                     |
| Intergovernmental                |                 |              |                     |
| Motor fuel tax allotments        | \$ 1,290,000    | \$ 1,810,000 | \$ 1,830,552        |
| Investment income                | 100             | 100          | 67                  |
| Miscellaneous                    | 6,000           | 6,000        | 19,103              |
|                                  | <hr/>           |              |                     |
| Total revenues                   | 1,296,100       | 1,816,100    | 1,849,722           |
| <b>EXPENDITURES</b>              |                 |              |                     |
| Highways and streets             |                 |              |                     |
| Street division                  | 1,551,900       | 828,900      | 791,218             |
|                                  | <hr/>           |              |                     |
| NET CHANGE IN FUND BALANCE       | \$ (255,800)    | \$ 987,200   | 1,058,504           |
| FUND BALANCE, JANUARY 1          |                 |              | 338,861             |
|                                  |                 |              | <hr/>               |
| <b>FUND BALANCE, DECEMBER 31</b> |                 |              | <b>\$ 1,397,365</b> |
|                                  |                 |              | <hr/>               |

(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, 2014

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|                                       | Budget              |                   | Actual            |
|---------------------------------------|---------------------|-------------------|-------------------|
|                                       | Original            | Final             |                   |
| <b>HIGHWAYS AND STREETS</b>           |                     |                   |                   |
| Public works department               |                     |                   |                   |
| Street division                       |                     |                   |                   |
| Street maintenance                    |                     |                   |                   |
| Contractual services                  | \$ 115,497          | \$ 115,497        | \$ 115,153        |
| Snow removal                          |                     |                   |                   |
| Contractual services                  | -                   | 75,000            | 63,050            |
| Commodities and supplies              | 284,796             | 381,796           | 375,112           |
| Total snow removal                    | 284,796             | 456,796           | 438,162           |
| Traffic control/street lighting       |                     |                   |                   |
| Contractual services                  | 88,607              | 88,607            | 69,787            |
| Utilities                             | 153,000             | 153,000           | 156,037           |
| Total traffic control/street lighting | 241,607             | 241,607           | 225,824           |
| Street improvement projects           |                     |                   |                   |
| Infrastructure                        | 910,000             | 15,000            | 12,079            |
| <b>TOTAL EXPENDITURES</b>             | <b>\$ 1,551,900</b> | <b>\$ 828,900</b> | <b>\$ 791,218</b> |

(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, 2014

|                                     | <b>Budget</b>   |                | <b>Actual</b>      |
|-------------------------------------|-----------------|----------------|--------------------|
|                                     | <b>Original</b> | <b>Final</b>   |                    |
| <b>REVENUES</b>                     |                 |                |                    |
| Intergovernmental                   |                 |                |                    |
| Grant - CDBG                        | \$ 293,202      | \$ 126,450     | \$ 83,298          |
| Miscellaneous                       |                 |                |                    |
| Program income                      | 60,000          | 230,000        | 196,884            |
|                                     | <u>353,202</u>  | <u>356,450</u> | <u>280,182</u>     |
|                                     |                 |                |                    |
| <b>EXPENDITURES</b>                 |                 |                |                    |
| Welfare                             |                 |                |                    |
| Administration                      | 49,109          | 49,109         | 62,434             |
| Community programs                  | 42,000          | 48,450         | 47,597             |
| Residential rehabilitation          | 217,093         | 178,891        | 94,074             |
| CDBG public rehabilitation projects | 45,000          | 80,000         | 76,077             |
|                                     | <u>353,202</u>  | <u>356,450</u> | <u>280,182</u>     |
|                                     |                 |                |                    |
| NET CHANGE IN FUND BALANCE          | <u>\$ -</u>     | <u>\$ -</u>    | -                  |
|                                     |                 |                |                    |
| FUND BALANCE, JANUARY 1             |                 |                | <u>-</u>           |
|                                     |                 |                |                    |
| <b>FUND BALANCE, DECEMBER 31</b>    |                 |                | <u><u>\$ -</u></u> |

(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, 2014

|                                     | <b>Budget</b>     |                   | <b>Actual</b>     |
|-------------------------------------|-------------------|-------------------|-------------------|
|                                     | <b>Original</b>   | <b>Final</b>      |                   |
| <b>WELFARE</b>                      |                   |                   |                   |
| Administration and support          |                   |                   |                   |
| Personal services                   | \$ 27,896         | \$ 27,896         | \$ 35,632         |
| Employee benefits                   | 14,163            | 14,163            | 23,617            |
| Other employee costs                | 1,020             | 1,020             | 178               |
| Contractual services                | 5,520             | 5,520             | 3,007             |
| Commodities and supplies            | 510               | 510               | -                 |
| Total administration and support    | 49,109            | 49,109            | 62,434            |
| Community programs                  |                   |                   |                   |
| Contractual services                | 42,000            | 48,450            | 47,597            |
| Total community programs            | 42,000            | 48,450            | 47,597            |
| Residential rehabilitation          |                   |                   |                   |
| Personal services                   | 20,034            | 20,034            | 11,863            |
| Employee benefits                   | 12,059            | 12,059            | 2,349             |
| Contractual services                | 25,000            | 48,250            | 36,400            |
| Other expenditures                  | 160,000           | 98,548            | 43,462            |
| Total residential rehabilitation    | 217,093           | 178,891           | 94,074            |
| CDBG public rehabilitation projects |                   |                   |                   |
| Contractual services                | 25,000            | 25,000            | 24,985            |
| Capital expenditures                | 20,000            | 55,000            | 51,092            |
| Total CDBG programs                 | 45,000            | 80,000            | 76,077            |
| <b>TOTAL EXPENDITURES</b>           | <b>\$ 353,202</b> | <b>\$ 356,450</b> | <b>\$ 280,182</b> |

(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, 2014

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|                                  | <b>Budget</b>      |                  | <b>Actual</b>           |
|----------------------------------|--------------------|------------------|-------------------------|
|                                  | <b>Original</b>    | <b>Final</b>     |                         |
| <b>REVENUES</b>                  |                    |                  |                         |
| Intergovernmental                |                    |                  |                         |
| Seized assets                    | \$ 2,000           | \$ 45,000        | \$ 49,039               |
| Investment income                | 100                | 100              | 16                      |
|                                  |                    |                  |                         |
| Total revenues                   | <u>2,100</u>       | <u>45,100</u>    | <u>49,055</u>           |
|                                  |                    |                  |                         |
| <b>EXPENDITURES</b>              |                    |                  |                         |
| Public safety                    |                    |                  |                         |
| Other employee costs             | 1,000              | 1,000            | -                       |
| Contractual services             | 3,000              | 3,000            | 6,000                   |
| Capital expenditures             | 15,000             | 15,000           | 2,039                   |
|                                  |                    |                  |                         |
| Total expenditures               | <u>19,000</u>      | <u>19,000</u>    | <u>8,039</u>            |
|                                  |                    |                  |                         |
| NET CHANGE IN FUND BALANCE       | <u>\$ (16,900)</u> | <u>\$ 26,100</u> | 41,016                  |
|                                  |                    |                  |                         |
| FUND BALANCE, JANUARY 1          |                    |                  | <u>42,659</u>           |
|                                  |                    |                  |                         |
| <b>FUND BALANCE, DECEMBER 31</b> |                    |                  | <u><u>\$ 83,675</u></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, 2014

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|                                  | <b>Budget</b>     |                 | <b>Actual</b>           |
|----------------------------------|-------------------|-----------------|-------------------------|
|                                  | <b>Original</b>   | <b>Final</b>    |                         |
| <b>REVENUES</b>                  |                   |                 |                         |
| Intergovernmental                |                   |                 |                         |
| Federal equitable shared funds   | \$ 100            | \$ 25,100       | \$ 24,638               |
| Investment income                | 100               | 100             | 19                      |
|                                  | <hr/>             |                 |                         |
| Total revenues                   | 200               | 25,200          | 24,657                  |
|                                  | <hr/>             |                 |                         |
| <b>EXPENDITURES</b>              |                   |                 |                         |
| Public safety                    |                   |                 |                         |
| Contractual services             | 1,000             | 1,000           | -                       |
| Capital expenditures             | 1,000             | 17,000          | 16,233                  |
|                                  | <hr/>             |                 |                         |
| Total expenditures               | 2,000             | 18,000          | 16,233                  |
|                                  | <hr/>             |                 |                         |
| NET CHANGE IN FUND BALANCE       | <u>\$ (1,800)</u> | <u>\$ 7,200</u> | 8,424                   |
| FUND BALANCE, JANUARY 1          |                   |                 | <u>11,514</u>           |
| <b>FUND BALANCE, DECEMBER 31</b> |                   |                 | <u><u>\$ 19,938</u></u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2014

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|                                   | <b>Budget</b>   |                  | <b>Actual</b>     |
|-----------------------------------|-----------------|------------------|-------------------|
|                                   | <b>Original</b> | <b>Final</b>     |                   |
| <b>REVENUES</b>                   |                 |                  |                   |
| Intergovernmental                 |                 |                  |                   |
| DUI fines                         | \$ 20,000       | \$ 32,000        | \$ 38,523         |
| Investment income                 | 100             | 100              | 37                |
|                                   |                 |                  |                   |
| Total revenues                    | <u>20,100</u>   | <u>32,100</u>    | <u>38,560</u>     |
|                                   |                 |                  |                   |
| <b>EXPENDITURES</b>               |                 |                  |                   |
| Public safety                     |                 |                  |                   |
| Patrol and traffic enforcement    |                 |                  |                   |
| Other employee costs              | 1,000           | 1,000            | -                 |
| Capital expenditures              | <u>10,000</u>   | <u>10,000</u>    | <u>2,767</u>      |
|                                   |                 |                  |                   |
| Total expenditures                | <u>11,000</u>   | <u>11,000</u>    | <u>2,767</u>      |
|                                   |                 |                  |                   |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ 9,100</u> | <u>\$ 21,100</u> | 35,793            |
|                                   |                 |                  |                   |
| <b>FUND BALANCE, JANUARY 1</b>    |                 |                  | <u>65,287</u>     |
|                                   |                 |                  |                   |
| <b>FUND BALANCE, DECEMBER 31</b>  |                 |                  | <u>\$ 101,080</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, 2014

|                                   | <b>Budget</b>    |                  | <b>Actual</b>     |
|-----------------------------------|------------------|------------------|-------------------|
|                                   | <b>Original</b>  | <b>Final</b>     |                   |
| <b>REVENUES</b>                   |                  |                  |                   |
| Other taxes                       |                  |                  |                   |
| Foreign fire insurance tax        | \$ 70,000        | \$ 70,000        | \$ 67,577         |
| Investment income                 | 1,000            | 1,000            | 103               |
|                                   | <hr/>            |                  |                   |
| Total revenues                    | 71,000           | 71,000           | 67,680            |
|                                   | <hr/>            |                  |                   |
| <b>EXPENDITURES</b>               |                  |                  |                   |
| Public safety                     |                  |                  |                   |
| Insurance                         | 500              | 500              | -                 |
| Contractual services              | 10,000           | 10,000           | 3,967             |
| Commodities and supplies          | 5,000            | 5,000            | 212               |
| Equipment                         | 15,000           | 45,000           | 48,870            |
|                                   | <hr/>            |                  |                   |
| Total expenditures                | 30,500           | 60,500           | 53,049            |
|                                   | <hr/>            |                  |                   |
| <b>NET CHANGE IN FUND BALANCE</b> | <b>\$ 40,500</b> | <b>\$ 10,500</b> | 14,631            |
|                                   | <hr/>            |                  |                   |
| FUND BALANCE, JANUARY 1           |                  |                  | 273,346           |
|                                   | <hr/>            |                  |                   |
| <b>FUND BALANCE, DECEMBER 31</b>  |                  |                  | <b>\$ 287,977</b> |
|                                   | <hr/>            |                  |                   |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2014

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|                                   | <b>Budget</b>    |                  | <b>Actual</b>    |
|-----------------------------------|------------------|------------------|------------------|
|                                   | <b>Original</b>  | <b>Final</b>     |                  |
| <b>REVENUES</b>                   |                  |                  |                  |
| Other taxes                       |                  |                  |                  |
| Food and beverage tax             | \$ 312,000       | \$ 375,000       | \$ 358,152       |
| Hotel/motel tax                   | 170,000          | 220,000          | 211,526          |
| Movie theatre tax                 | 139,000          | 120,000          | 112,701          |
| Business district tax             | 322,000          | 335,000          | 331,933          |
| Investment income                 | 100              | 100              | 41               |
|                                   |                  |                  |                  |
| Total revenues                    | <u>943,100</u>   | <u>1,050,100</u> | <u>1,014,353</u> |
|                                   |                  |                  |                  |
| <b>EXPENDITURES</b>               |                  |                  |                  |
| General government                | <u>923,100</u>   | <u>1,050,000</u> | <u>1,014,436</u> |
|                                   |                  |                  |                  |
| Total expenditures                | <u>923,100</u>   | <u>1,050,000</u> | <u>1,014,436</u> |
|                                   |                  |                  |                  |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ 20,000</u> | <u>\$ 100</u>    | (83)             |
|                                   |                  |                  |                  |
| <b>FUND BALANCE, JANUARY 1</b>    |                  |                  | <u>83</u>        |
|                                   |                  |                  |                  |
| <b>FUND BALANCE, DECEMBER 31</b>  |                  |                  | <u>\$ -</u>      |

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2014

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|  | <b>Capital<br/>Improvement</b> | <b>Downtown<br/>Redevelopment<br/>Construction</b> | <b>Total</b>        |
|--|--------------------------------|--|---------------------|
| <b>ASSETS</b>                                  |                                |  |                     |
| Cash and investments                           | \$ 2,035,319                   | \$ 436,476   | \$ 2,471,795        |
| Receivables                                    |                                |  |                     |
| Other taxes                                    | 440,075                        | -  | 440,075             |
| Due from other governments                     | 352,000                        | 252,075  | 604,075             |
| Prepaid items                                  | 3,245                          | -  | 3,245               |
|  | <hr/>                          |  |                     |
| <b>TOTAL ASSETS</b>                            | <b>\$ 2,830,639</b>            | <b>\$ 688,551</b>                                  | <b>\$ 3,519,190</b> |
|  | <hr/>                          |  |                     |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                                |  |                     |
| <b>LIABILITIES</b>                             |                                |  |                     |
| Accounts payable                               | \$ 56,316                      | \$ 25,647  | \$ 81,963           |
| Retainage payable                              | -                              | 7,500  | 7,500               |
|  | <hr/>                          |  |                     |
| Total liabilities                              | 56,316                         | 33,147   | 89,463              |
|  | <hr/>                          |  |                     |
| <b>FUND BALANCES</b>                           |                                |  |                     |
| Nonspendable                                   |                                |  |                     |
| Prepaid items                                  | 3,245                          | -  | 3,245               |
| Restricted                                     |                                |  |                     |
| Economic development                           | -                              | 655,404  | 655,404             |
| Unrestricted                                   |                                |  |                     |
| Assigned                                       |                                |  |                     |
| Capital projects                               | 2,771,078                      | -  | 2,771,078           |
|  | <hr/>                          |  |                     |
| Total fund balances                            | 2,774,323                      | 655,404  | 3,429,727           |
|  | <hr/>                          |  |                     |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 2,830,639</b>            | <b>\$ 688,551</b>                                  | <b>\$ 3,519,190</b> |
|  | <hr/>                          |  |                     |

(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, 2014

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|                                    | <b>Capital<br/>Improvement</b> | <b>Downtown<br/>Redevelopment<br/>Construction</b> | <b>Total</b>        |
|------------------------------------|--------------------------------|--|---------------------|
| <b>REVENUES</b>                    |                                |  |                     |
| Taxes                              |                                |  |                     |
| Property                           | \$ -                           | \$ 2,311,740                                       | \$ 2,311,740        |
| Other                              | 1,254,676                      | -  | 1,254,676           |
| Intergovernmental                  | -                              | 252,375  | 252,375             |
| Investment income                  | 517                            | 361  | 878                 |
| Miscellaneous                      | 140,181                        | -  | 140,181             |
|                                    |                                |  |                     |
| Total revenues                     | <u>1,395,374</u>               | <u>2,564,476</u>                                   | <u>3,959,850</u>    |
|                                    |                                |  |                     |
| <b>EXPENDITURES</b>                |                                |  |                     |
| Capital outlay                     | <u>718,354</u>                 | <u>2,978,005</u>                                   | <u>3,696,359</u>    |
|                                    |                                |  |                     |
| Total expenditures                 | <u>718,354</u>                 | <u>2,978,005</u>                                   | <u>3,696,359</u>    |
|                                    |                                |  |                     |
| <b>NET CHANGE IN FUND BALANCES</b> | 677,020                        | (413,529)  | 263,491             |
|                                    |                                |  |                     |
| <b>FUND BALANCES, JANUARY 1</b>    | <u>2,097,303</u>               | <u>1,068,933</u>                                   | <u>3,166,236</u>    |
|                                    |                                |  |                     |
| <b>FUND BALANCES, DECEMBER 31</b>  | <u>\$ 2,774,323</u>            | <u>\$ 655,404</u>                                  | <u>\$ 3,429,727</u> |

(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, 2014

|                                  | Budget       |              | Actual              |
|----------------------------------|--------------|--------------|---------------------|
|                                  | Original     | Final        |                     |
| <b>REVENUES</b>                  |              |              |                     |
| Other taxes                      |              |              |                     |
| Home rule sales tax              | \$ 1,246,000 | \$ 1,246,000 | \$ 1,254,676        |
| Investment income                | 1,000        | 1,000        | 517                 |
| Miscellaneous                    |              |              |                     |
| Donations                        | 10,000       | 141,000      | 140,181             |
| Total revenues                   | 1,257,000    | 1,388,000    | 1,395,374           |
| <b>EXPENDITURES</b>              |              |              |                     |
| Capital outlay                   |              |              |                     |
| Equipment                        | 304,247      | 334,847      | 238,622             |
| Building improvements            | 637,000      | 910,800      | 380,382             |
| Infrastructure                   | 755,000      | 849,200      | 99,350              |
| Total expenditures               | 1,696,247    | 2,094,847    | 718,354             |
| NET CHANGE IN FUND BALANCE       | \$ (439,247) | \$ (706,847) | 677,020             |
| FUND BALANCE, JANUARY 1          |              |              | 2,097,303           |
| <b>FUND BALANCE, DECEMBER 31</b> |              |              | <b>\$ 2,774,323</b> |

(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, 2014

|                                 | <b>Budget</b>              |                            | <b>Actual</b>            |
|---------------------------------|----------------------------|----------------------------|--------------------------|
|                                 | <b>Original</b>            | <b>Final</b>               |                          |
| <b>EXPENDITURES</b>             |                            |                            |                          |
| Equipment                       |                            |                            |                          |
| SCI computer conversion         | 16,000                     | 16,000                     | 2,273                    |
| Bunker gear lockers             | 30,000                     | 30,000                     | 10,883                   |
| Computer financial software     | -                          | -                          | 4,500                    |
| Furniture replacement           | 33,000                     | 33,000                     | -                        |
| Thermal imaging camera          | 33,000                     | 33,000                     | -                        |
| Telephone system - Village hall | -                          | 14,000                     | 13,955                   |
| Extrication equipment           | 65,000                     | 65,000                     | 65,000                   |
| Mobile video                    | -                          | 16,600                     | 10,845                   |
| Radio equipment - police/fire   | 127,247                    | 127,247                    | 131,166                  |
| Total equipment                 | <u>304,247</u>             | <u>334,847</u>             | <u>238,622</u>           |
| Building improvements           |                            |                            |                          |
| Police and fire headquarters    | 96,000                     | 140,800                    | 78,319                   |
| Public works facility           | -                          | 2,000                      | 1,950                    |
| Other public facilities         | 541,000                    | 768,000                    | 300,113                  |
| Total building improvements     | <u>637,000</u>             | <u>910,800</u>             | <u>380,382</u>           |
| Infrastructure                  |                            |                            |                          |
| Residential street lights       | 75,000                     | 64,800                     | 35,072                   |
| Jogging path                    | 240,000                    | 240,000                    | 11,395                   |
| Kensington road improvement     | -                          | 66,000                     | 45,914                   |
| Detention pond improvements     | 100,000                    | 138,400                    | 6,969                    |
| Other infrastructure            | 340,000                    | 340,000                    | -                        |
| Total infrastructure            | <u>755,000</u>             | <u>849,200</u>             | <u>99,350</u>            |
| <b>TOTAL EXPENDITURES</b>       | <u><u>\$ 1,696,247</u></u> | <u><u>\$ 2,094,847</u></u> | <u><u>\$ 718,354</u></u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2014

|                                  | <u>Budget</u>       |                     | <u>Actual</u>            |
|----------------------------------|---------------------|---------------------|--------------------------|
|                                  | <u>Original</u>     | <u>Final</u>        |                          |
| <b>REVENUES</b>                  |                     |                     |                          |
| Taxes                            |                     |                     |                          |
| Property taxes - other           |                     |                     |                          |
| Tax increment                    | \$ 2,425,000        | \$ 2,425,000        | \$ 2,311,740             |
| Intergovernmental                | 246,000             | 246,000             | 252,375                  |
| Investment income                | 1,000               | 1,000               | 361                      |
|                                  | <hr/>               |                     |                          |
| Total revenues                   | 2,672,000           | 2,672,000           | 2,564,476                |
|                                  | <hr/>               |                     |                          |
| <b>EXPENDITURES</b>              |                     |                     |                          |
| Capital outlay                   |                     |                     |                          |
| Public improvements              |                     |                     |                          |
| Contractual services             | 193,040             | 193,040             | 196,419                  |
| Public improvements              | 2,813,922           | 2,873,922           | 2,764,810                |
| Infrastructure                   | 115,000             | 355,000             | 16,776                   |
|                                  | <hr/>               |                     |                          |
| Total expenditures               | 3,121,962           | 3,421,962           | 2,978,005                |
|                                  | <hr/>               |                     |                          |
| NET CHANGE IN FUND BALANCE       | <u>\$ (449,962)</u> | <u>\$ (749,962)</u> | (413,529)                |
| FUND BALANCE, JANUARY 1          |                     |                     | <u>1,068,933</u>         |
| <b>FUND BALANCE, DECEMBER 31</b> |                     |                     | <u><u>\$ 655,404</u></u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2014

|  | <u>Budget</u>              |                            | <u>Actual</u>              |
|--|----------------------------|----------------------------|----------------------------|
|  | <u>Original</u>            | <u>Final</u>               |                            |
| <b>CAPITAL OUTLAY</b>                      |                            |                            |                            |
| Public improvements                        |                            |                            |                            |
| Contractual services                       |                            |                            |                            |
| Audit services                             | \$ 1,040                   | \$ 1,040                   | \$ 980                     |
| Other professional services                | 20,000                     | 20,000                     | 25,609                     |
| Streetscape corridor maintenance           | 57,000                     | 57,000                     | 55,757                     |
| Brick sidewalk sealing                     | 75,000                     | 75,000                     | 75,000                     |
| Streetscape furnishing                     | 40,000                     | 40,000                     | 39,073                     |
| Total contractual services                 | <u>193,040</u>             | <u>193,040</u>             | <u>196,419</u>             |
| Public improvements                        |                            |                            |                            |
| Other financing costs                      | 10,000                     | 10,000                     | -                          |
| Property tax expense                       | 7,000                      | 7,000                      | 7,724                      |
| Sales tax rebate                           | 107,000                    | 107,000                    | 92,164                     |
| Return of increment Cook County Collection | 2,629,922                  | 2,629,922                  | 2,629,922                  |
| Facade program                             | 60,000                     | 120,000                    | 35,000                     |
| Total public improvements                  | <u>2,813,922</u>           | <u>2,873,922</u>           | <u>2,764,810</u>           |
| Infrastructure                             |                            |                            |                            |
| Downtown streetscape program               | 105,000                    | 345,000                    | 9,240                      |
| Brick sidewalk                             | 10,000                     | 10,000                     | 7,536                      |
| Total infrastructure                       | <u>115,000</u>             | <u>355,000</u>             | <u>16,776</u>              |
| <b>TOTAL EXPENDITURES</b>                  | <u><u>\$ 3,121,962</u></u> | <u><u>\$ 3,421,962</u></u> | <u><u>\$ 2,978,005</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, 2014

|  | <b>Budget</b>     |                     | <b>Actual</b>               |
|--|-------------------|---------------------|-----------------------------|
|  | <b>Original</b>   | <b>Final</b>        |                             |
| <b>OPERATING REVENUES</b>                                |                   |                     |                             |
| Charges for services                                     | \$ 12,812,000     | \$ 12,812,000       | \$ 11,970,681               |
| Total operating revenues                                 | 12,812,000        | 12,812,000          | 11,970,681                  |
| <b>OPERATING EXPENSES</b>                                |                   |                     |                             |
| Administration and maintenance                           | 13,606,653        | 15,352,350          | 13,312,623                  |
| Depreciation   | -                 | -                   | 466,877                     |
| Total operating expenses                                 | 13,606,653        | 15,352,350          | 13,779,500                  |
| OPERATING INCOME (LOSS)                                  | (794,653)         | (2,540,350)         | (1,808,819)                 |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                 |                   |                     |                             |
| Property taxes   | 1,530,000         | 1,530,000           | 1,508,704                   |
| Investment income  | 1,100             | 1,100               | 3,100                       |
| Other income   | 42,000            | 42,000              | 79,470                      |
| Gain (loss) on disposal of capital assets                | -                 | -                   | (2,002)                     |
| Total non-operating revenues (expenses)                  | 1,573,100         | 1,573,100           | 1,589,272                   |
| INCOME (LOSS) BEFORE<br>CAPITAL GRANTS AND CONTRIBUTIONS | 778,447           | (967,250)           | (219,547)                   |
| <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>                  | -                 | -                   | 373,498                     |
| CHANGE IN NET POSITION                                   | <u>\$ 778,447</u> | <u>\$ (967,250)</u> | 153,951                     |
| NET POSITION, JANUARY 1                                  |                   |                     | <u>34,086,453</u>           |
| <b>NET POSITION, DECEMBER 31</b>                         |                   |                     | <u><u>\$ 34,240,404</u></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, 2014

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|                                 | <b>Budget</b>        |                      | <b>Actual</b>        |
|---------------------------------|----------------------|----------------------|----------------------|
|                                 | <b>Original</b>      | <b>Final</b>         |                      |
| <b>CHARGES FOR SERVICES</b>     |                      |                      |                      |
| Water sales                     | \$ 9,763,000         | \$ 9,763,000         | \$ 9,097,239         |
| Sewer fees                      | 2,223,000            | 2,223,000            | 2,029,010            |
| Sewer construction charge       | 685,000              | 685,000              | 682,827              |
| Water penalties                 | 100,000              | 100,000              | 83,969               |
| Water meter fees                | 20,000               | 20,000               | 22,488               |
| Water and sewer taps            | 20,000               | 20,000               | 20,826               |
| Sewer penalties                 | -                    | -                    | 26,185               |
| Miscellaneous                   | 1,000                | 1,000                | 8,137                |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$ 12,812,000</b> | <b>\$ 12,812,000</b> | <b>\$ 11,970,681</b> |

(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, 2014

|   | <u>Budget</u>   |              | <u>Actual</u> |
|---|-----------------|--------------|---------------|
|   | <u>Original</u> | <u>Final</u> |               |
| <b>ADMINISTRATION AND MAINTENANCE</b>     |                 |              |               |
| Administration and support                |                 |              |               |
| Personal services                         | \$ 397,260      | \$ 397,260   | \$ 403,950    |
| Employee benefits                         | 209,833         | 209,833      | 219,930       |
| Other employee costs                      | 36,660          | 36,660       | 29,513        |
| Contractual services                      | 685,826         | 685,826      | 690,745       |
| Utilities                                 | 43,758          | 43,758       | 32,705        |
| Insurance                                 | 80,474          | 80,474       | 80,474        |
| Commodities and supplies                  | 12,382          | 12,382       | 9,905         |
| Capital expenditures                      | 12,200          | 12,200       | 2,714         |
|   | <hr/>           |              |               |
| Total administration and support          | 1,478,393       | 1,478,393    | 1,469,936     |
|   | <hr/>           |              |               |
| Maintenance of buildings                  |                 |              |               |
| Personal services                         | 151,739         | 151,739      | 164,915       |
| Employee benefits                         | 69,065          | 69,065       | 71,729        |
| Contractual services                      | 16,500          | 63,500       | 7,755         |
| Utilities                                 | 6,000           | 6,000        | 5,656         |
| Commodities and supplies                  | 1,530           | 1,530        | 196           |
|   | <hr/>           |              |               |
| Total maintenance of buildings            | 244,834         | 291,834      | 250,251       |
|   | <hr/>           |              |               |
| Maintenance of grounds                    |                 |              |               |
| Personal services                         | 63,415          | 63,415       | 66,953        |
| Employee benefits                         | 20,218          | 20,218       | 21,303        |
| Contractual services                      | 28,560          | 28,560       | 27,957        |
| Commodities and supplies                  | 5,915           | 5,915        | 4,717         |
|   | <hr/>           |              |               |
| Total maintenance of grounds              | 118,108         | 118,108      | 120,930       |
|   | <hr/>           |              |               |
| Water supply maintenance and repair       |                 |              |               |
| Personal services                         | 386,247         | 386,247      | 407,993       |
| Employee benefits                         | 144,562         | 144,562      | 147,062       |
| Contractual services                      | 145,431         | 145,431      | 104,601       |
| Utilities                                 | 85,000          | 85,000       | 85,509        |
| Commodities and supplies                  | 80,000          | 80,000       | 52,191        |
|   | <hr/>           |              |               |
| Total water supply maintenance and repair | 841,240         | 841,240      | 797,356       |
|   | <hr/>           |              |               |

(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, 2014

|   | <u>Budget</u>   |                | <u>Actual</u>  |
|---|-----------------|----------------|----------------|
|   | <u>Original</u> | <u>Final</u>   |                |
| <b>ADMINISTRATION AND MAINTENANCE (Continued)</b>       |                 |                |                |
| Water distribution maintenance and repair               |                 |                |                |
| Personal services                                       | \$ 299,223      | \$ 299,223     | \$ 308,234     |
| Employee benefits                                       | 100,817         | 100,817        | 90,238         |
| Contractual services                                    | 227,383         | 212,883        | 168,737        |
| Commodities and supplies                                | 71,403          | 71,403         | 98,809         |
| Capital expenditures                                    | 1,370           | 1,370          | -              |
| Total water distribution maintenance and repair         | <u>700,196</u>  | <u>685,696</u> | <u>666,018</u> |
| Water valve and hydrant maintenance                     |                 |                |                |
| Personal services                                       | 275,631         | 275,631        | 305,253        |
| Employee benefits                                       | 111,117         | 111,117        | 106,597        |
| Contractual services                                    | 19,588          | 19,588         | 15,693         |
| Commodities and supplies                                | 95,784          | 95,784         | 41,888         |
| Total water valve and hydrant maintenance               | <u>502,120</u>  | <u>502,120</u> | <u>469,431</u> |
| Water meter installation, repair, and replacement       |                 |                |                |
| Personal services                                       | 154,026         | 154,026        | 119,725        |
| Employee benefits                                       | 44,099          | 44,099         | 33,057         |
| Contractual services                                    | 99,505          | 99,505         | 38,965         |
| Commodities and supplies                                | 2,178           | 2,178          | 1,198          |
| Capital expenditures                                    | 65,000          | 65,000         | 47,552         |
| Total water meter installation, repair, and replacement | <u>364,808</u>  | <u>364,808</u> | <u>240,497</u> |
| Equipment maintenance                                   |                 |                |                |
| Contractual services                                    | 786,646         | 786,646        | 786,646        |
| Sanitary sewer maintenance and repair                   |                 |                |                |
| Personal services                                       | 225,123         | 225,123        | 222,292        |
| Employee benefits                                       | 88,182          | 88,182         | 77,004         |
| Contractual services                                    | 150,300         | 150,300        | 106,531        |
| Utilities   | 23,000          | 23,000         | 10,875         |
| Commodities and supplies                                | 26,530          | 26,530         | 11,821         |
| Total sanitary sewer maintenance and repair             | <u>513,135</u>  | <u>513,135</u> | <u>428,523</u> |

(This schedule is continued on the following page.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2014

|   | <b>Budget</b>               |                             | <b>Actual</b>               |
|---|-----------------------------|-----------------------------|-----------------------------|
|   | <b>Original</b>             | <b>Final</b>                |                             |
| <b>ADMINISTRATION AND MAINTENANCE (Continued)</b> |                             |                             |                             |
| Water system improvements                         |                             |                             |                             |
| Capital expenditures                              | \$ 875,000                  | \$ 1,191,500                | \$ 1,035,039                |
| Less capital expenditures capitalized             | -                           | (13,403)                    | (13,403)                    |
| Total water system improvements                   | <u>875,000</u>              | <u>1,178,097</u>            | <u>1,021,636</u>            |
| Sanitary system improvements                      |                             |                             |                             |
| Capital expenditures                              | 1,175,000                   | 1,440,000                   | 487,971                     |
| Less capital expenditures capitalized             | -                           | (265,000)                   | (158,580)                   |
| Total sanitary system improvements                | <u>1,175,000</u>            | <u>1,175,000</u>            | <u>329,391</u>              |
| Improvements to public buildings                  |                             |                             |                             |
| Capital expenditures                              | 1,219,500                   | 2,783,000                   | 1,195,379                   |
| Less capital expenditures capitalized             | (525,000)                   | (861,400)                   | (426,075)                   |
| Total improvements to public buildings            | <u>694,500</u>              | <u>1,921,600</u>            | <u>769,304</u>              |
| Lake Michigan water acquisition                   |                             |                             |                             |
| Contractual services                              | <u>5,312,673</u>            | <u>5,495,673</u>            | <u>5,962,704</u>            |
| Total Lake Michigan water acquisition             | <u>5,312,673</u>            | <u>5,495,673</u>            | <u>5,962,704</u>            |
| Total administration and maintenance              | 13,606,653                  | 15,352,350                  | 13,312,623                  |
| Depreciation                                      | -                           | -                           | 466,877                     |
| <b>TOTAL OPERATING EXPENSES</b>                   | <u><u>\$ 13,606,653</u></u> | <u><u>\$ 15,352,350</u></u> | <u><u>\$ 13,779,500</u></u> |

(See independent auditor's report.)

## **NONMAJOR ENTERPRISE FUNDS**

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

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

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

December 31, 2014

|   | <b>Parking<br/>System<br/>Revenue</b> | <b>Village<br/>Parking<br/>System</b> | <b>Total</b>      |
|---|---------------------------------------|---------------------------------------|-------------------|
| <b>CURRENT ASSETS</b>                           |                                       |                                       |                   |
| Cash and investments                            | \$ -                                  | \$ 300,258                            | \$ 300,258        |
| Prepaid items                                   | 270                                   | 319                                   | 589               |
| Receivables                                     |                                       |                                       |                   |
| Other taxes                                     | 31,787                                | 3,532                                 | 35,319            |
| <b>Total current assets</b>                     | <b>32,057</b>                         | <b>304,109</b>                        | <b>336,166</b>    |
| <b>CAPITAL ASSETS</b>                           |                                       |                                       |                   |
| Capital assets not being depreciated            | -                                     | 232,354                               | 232,354           |
| Capital assets being depreciated, cost          | 364,800                               | -                                     | 364,800           |
| Accumulated depreciation                        | (364,800)                             | -                                     | (364,800)         |
| <b>Net capital assets</b>                       | <b>-</b>                              | <b>232,354</b>                        | <b>232,354</b>    |
| <b>Total assets</b>                             | <b>32,057</b>                         | <b>536,463</b>                        | <b>568,520</b>    |
| <b>CURRENT LIABILITIES</b>                      |                                       |                                       |                   |
| Accounts payable                                | 4,213                                 | 20                                    | 4,233             |
| Accrued payroll                                 | 562                                   | 759                                   | 1,321             |
| Due to other funds                              | 154,882                               | -                                     | 154,882           |
| Unearned revenues                               | 17,762                                | 35,450                                | 53,212            |
| Compensated absences payable                    | 241                                   | 337                                   | 578               |
| <b>Total current liabilities</b>                | <b>177,660</b>                        | <b>36,566</b>                         | <b>214,226</b>    |
| <b>LONG-TERM LIABILITIES</b>                    |                                       |                                       |                   |
| Compensated absences payable                    | 963                                   | 1,348                                 | 2,311             |
| Net other postemployment<br>benefits obligation | 699                                   | 1,870                                 | 2,569             |
| <b>Total noncurrent liabilities</b>             | <b>1,662</b>                          | <b>3,218</b>                          | <b>4,880</b>      |
| <b>Total liabilities</b>                        | <b>179,322</b>                        | <b>39,784</b>                         | <b>219,106</b>    |
| <b>NET POSITION</b>                             |                                       |                                       |                   |
| Investment in capital assets                    | -                                     | 232,354                               | 232,354           |
| Unrestricted                                    | (147,265)                             | 264,325                               | 117,060           |
| <b>TOTAL NET POSITION</b>                       | <b>\$ (147,265)</b>                   | <b>\$ 496,679</b>                     | <b>\$ 349,414</b> |

(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, 2014

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|   | <b>Parking<br/>System<br/>Revenue</b> | <b>Village<br/>Parking<br/>System</b> | <b>Total</b>      |
|---|---------------------------------------|---------------------------------------|-------------------|
| <b>OPERATING REVENUES</b>                     |                                       |                                       |                   |
| Charges for services                          |                                       |                                       |                   |
| Parking fees                                  | \$ 119,480                            | \$ 128,704                            | \$ 248,184        |
| Rental fees                                   | -                                     | 6,600                                 | 6,600             |
| Total operating revenues                      | <u>119,480</u>                        | <u>135,304</u>                        | <u>254,784</u>    |
| <b>OPERATING EXPENSES</b>                     |                                       |                                       |                   |
| Administration, maintenance, and improvements | <u>154,770</u>                        | <u>175,218</u>                        | <u>329,988</u>    |
| Total operating expenses                      | <u>154,770</u>                        | <u>175,218</u>                        | <u>329,988</u>    |
| OPERATING INCOME (LOSS)                       | <u>(35,290)</u>                       | <u>(39,914)</u>                       | <u>(75,204)</u>   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                                       |                                       |                   |
| Home rule sales tax                           | 90,627                                | 10,070                                | 100,697           |
| Investment income                             | -                                     | 89                                    | 89                |
| Total non-operating revenues (expenses)       | <u>90,627</u>                         | <u>10,159</u>                         | <u>100,786</u>    |
| CHANGE IN NET POSITION                        | 55,337                                | (29,755)                              | 25,582            |
| NET POSITION (DEFICIT), JANUARY 1             | <u>(202,602)</u>                      | <u>526,434</u>                        | <u>323,832</u>    |
| <b>NET POSITION (DEFICIT), DECEMBER 31</b>    | <u>\$ (147,265)</u>                   | <u>\$ 496,679</u>                     | <u>\$ 349,414</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS**

**NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2014

|   | <b>Parking<br/>System<br/>Revenue</b> | <b>Village<br/>Parking<br/>System</b> | <b>Total</b> |
|---|---------------------------------------|---------------------------------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                       |                                       |              |
| Receipts from customers and users                                   | \$ 134,047                            | \$ 150,540                            | \$ 284,587   |
| Payments to suppliers   | (119,939)                             | (121,361)                             | (241,300)    |
| Payments to employees   | (40,457)                              | (55,159)                              | (95,616)     |
| Net cash from operating activities                                  | (26,349)                              | (25,980)                              | (52,329)     |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                       |                                       |              |
| Home rule sales tax   | 84,070                                | 9,341                                 | 93,411       |
| Interfund transactions  | (57,721)                              | -                                     | (57,721)     |
| Net cash from noncapital financing activities                       | 26,349                                | 9,341                                 | 35,690       |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                                       |                                       |              |
| None  | -                                     | -                                     | -            |
| Net cash from capital and related<br>financing activities           | -                                     | -                                     | -            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                       |                                       |              |
| Investment income   | -                                     | 89                                    | 89           |
| Net cash from investing activities                                  | -                                     | 89                                    | 89           |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS             | -                                     | (16,550)                              | (16,550)     |
| CASH AND CASH EQUIVALENTS,<br>JANUARY 1                             | -                                     | 316,808                               | 316,808      |
| CASH AND CASH EQUIVALENTS,<br>DECEMBER 31                           | \$ -                                  | \$ 300,258                            | \$ 300,258   |

(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, 2014

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|  | <b>Parking<br/>System<br/>Revenue</b> | <b>Village<br/>Parking<br/>System</b> | <b>Total</b>       |
|--|---------------------------------------|---------------------------------------|--------------------|
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |                                       |                                       |                    |
| Operating income (loss)  | \$ (35,290)                           | \$ (39,914)                           | \$ (75,204)        |
| Adjustments to reconcile operating income (loss) to<br>net cash from operating activities            |                                       |                                       |                    |
| Changes in assets and liabilities  |                                       |                                       |                    |
| Prepaid expenses   | (270)                                 | (319)                                 | (589)              |
| Accounts payable   | (4,765)                               | (476)                                 | (5,241)            |
| Accrued payroll and compensated absences   | (834)                                 | (1,155)                               | (1,989)            |
| Net other postemployment benefits obligation   | 243                                   | 648                                   | 891                |
| Unearned revenues  | 14,567                                | 15,236                                | 29,803             |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>\$ (26,349)</b>                    | <b>\$ (25,980)</b>                    | <b>\$ (52,329)</b> |
| <b>CASH AND INVESTMENTS</b>  |                                       |                                       |                    |
| Cash and cash equivalents  | \$ -                                  | \$ 300,258                            | \$ 300,258         |
| Investments  | -                                     | -                                     | -                  |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b>\$ -</b>                           | <b>\$ 300,258</b>                     | <b>\$ 300,258</b>  |
| <b>NONCASH TRANSACTIONS</b>  |                                       |                                       |                    |
| None   | \$ -                                  | \$ -                                  | \$ -               |

(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, 2014

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|   | <b>Budget</b>      |                    | <b>Actual</b>       |
|---|--------------------|--------------------|---------------------|
|   | <b>Original</b>    | <b>Final</b>       |                     |
| <b>OPERATING REVENUES</b>                     |                    |                    |                     |
| Charges for services                          |                    |                    |                     |
| Parking fees                                  |                    |                    |                     |
| Parking fees - Lot A                          | \$ 60,000          | \$ 60,000          | \$ 62,881           |
| Parking fees - Lot C                          | 52,000             | 52,000             | 56,599              |
|   | <hr/>              | <hr/>              | <hr/>               |
| Total operating revenues                      | 112,000            | 112,000            | 119,480             |
|   | <hr/>              | <hr/>              | <hr/>               |
| <b>OPERATING EXPENSES</b>                     |                    |                    |                     |
| Administration, maintenance, and improvements | 250,032            | 250,032            | 154,770             |
|   | <hr/>              | <hr/>              | <hr/>               |
| Total operating expenses                      | 250,032            | 250,032            | 154,770             |
|   | <hr/>              | <hr/>              | <hr/>               |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(138,032)</b>   | <b>(138,032)</b>   | <b>(35,290)</b>     |
|   | <hr/>              | <hr/>              | <hr/>               |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                    |                    |                     |
| Home rule sales tax                           | 90,000             | 90,000             | 90,627              |
| Investment income                             | 100                | 100                | -                   |
|   | <hr/>              | <hr/>              | <hr/>               |
| Total non-operating revenues (expenses)       | 90,100             | 90,100             | 90,627              |
|   | <hr/>              | <hr/>              | <hr/>               |
| <b>CHANGE IN NET POSITION</b>                 | <b>\$ (47,932)</b> | <b>\$ (47,932)</b> | <b>55,337</b>       |
|   | <hr/>              | <hr/>              | <hr/>               |
| <b>NET POSITION (DEFICIT), JANUARY 1</b>      |                    |                    | <b>(202,602)</b>    |
|   |                    |                    | <hr/>               |
| <b>NET POSITION (DEFICIT), DECEMBER 31</b>    |                    |                    | <b>\$ (147,265)</b> |
|   |                    |                    | <hr/>               |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2014

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|  | <b>Budget</b>     |                   | <b>Actual</b>     |
|--|-------------------|-------------------|-------------------|
|  | <b>Original</b>   | <b>Final</b>      |                   |
| <b>ADMINISTRATION, MAINTENANCE,<br/>AND IMPROVEMENTS</b> |                   |                   |                   |
| Personal services  | \$ 28,598         | \$ 28,598         | \$ 26,974         |
| Employee benefits  | 13,772            | 13,772            | 12,892            |
| Contractual services                                     | 110,954           | 110,954           | 98,413            |
| Utilities  | 10,523            | 10,523            | 7,430             |
| Insurance  | 1,406             | 1,406             | 1,406             |
| Commodities and supplies                                 | 9,779             | 9,779             | 7,655             |
| Capital expenditures                                     | 75,000            | 75,000            | -                 |
| <b>TOTAL OPERATING EXPENSES</b>                          | <b>\$ 250,032</b> | <b>\$ 250,032</b> | <b>\$ 154,770</b> |

(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 ENTERPRISES FUNDS

For the Year Ended December 31, 2014

|   | <b>Budget</b>       |                     | <b>Actual</b>            |
|---|---------------------|---------------------|--------------------------|
|   | <b>Original</b>     | <b>Final</b>        |                          |
| <b>OPERATING REVENUES</b>                     |                     |                     |                          |
| Charges for services                          |                     |                     |                          |
| Parking fees                                  |                     |                     |                          |
| Parking fees - Lot D                          | \$ 105,000          | \$ 105,000          | \$ 116,164               |
| Space rent - Wille Street lot                 | 10,000              | 10,000              | 12,540                   |
| Rental fees                                   | 6,600               | 6,600               | 6,600                    |
| Total operating revenues                      | <u>121,600</u>      | <u>121,600</u>      | <u>135,304</u>           |
| <b>OPERATING EXPENSES</b>                     |                     |                     |                          |
| Administration, maintenance, and improvements | <u>306,760</u>      | <u>306,760</u>      | <u>175,218</u>           |
| Total operating expenses                      | <u>306,760</u>      | <u>306,760</u>      | <u>175,218</u>           |
| OPERATING INCOME (LOSS)                       | <u>(185,160)</u>    | <u>(185,160)</u>    | <u>(39,914)</u>          |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>      |                     |                     |                          |
| Home rule sales tax                           | 10,000              | 10,000              | 10,070                   |
| Investment income                             | 100                 | 100                 | 89                       |
| Total non-operating revenues (expenses)       | <u>10,100</u>       | <u>10,100</u>       | <u>10,159</u>            |
| CHANGE IN NET POSITION                        | <u>\$ (175,060)</u> | <u>\$ (175,060)</u> | <u>(29,755)</u>          |
| NET POSITION, JANUARY 1                       |                     |                     | <u>526,434</u>           |
| <b>NET POSITION, DECEMBER 31</b>              |                     |                     | <u><u>\$ 496,679</u></u> |

(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, 2014

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|  | <b>Budget</b>     |                   | <b>Actual</b>     |
|--|-------------------|-------------------|-------------------|
|  | <b>Original</b>   | <b>Final</b>      |                   |
| <b>ADMINISTRATION, MAINTENANCE,<br/>AND IMPROVEMENTS</b> |                   |                   |                   |
| Personal services  | \$ 35,788         | \$ 35,788         | \$ 36,903         |
| Employee benefits  | 17,796            | 17,796            | 17,749            |
| Contractual services                                     | 91,055            | 91,055            | 70,702            |
| Insurance  | 1,175             | 1,175             | 1,175             |
| Commodities and supplies                                 | 510               | 510               | 499               |
| Capital expenditures                                     | 160,436           | 160,436           | 48,190            |
| <b>TOTAL OPERATING EXPENSES</b>                          | <b>\$ 306,760</b> | <b>\$ 306,760</b> | <b>\$ 175,218</b> |

(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, 2014

|   | <b>Computer<br/>Replacement</b> | <b>Risk<br/>Management</b> | <b>Vehicle<br/>Replacement</b> | <b>Vehicle<br/>Maintenance</b> | <b>Total</b>         |
|---|---------------------------------|----------------------------|--------------------------------|--------------------------------|----------------------|
| <b>CURRENT ASSETS</b>                           |                                 |                            |                                |                                |                      |
| Cash and investments                            | \$ 352,377                      | \$ 1,688,165               | \$ 7,916,996                   | \$ 518,673                     | \$ 10,476,211        |
| Receivables                                     |                                 |                            |                                |                                |                      |
| Other   | -                               | -                          | -                              | 1,958                          | 1,958                |
| Due from other governments                      | -                               | -                          | 2,154                          | 9,285                          | 11,439               |
| Prepays   | 17,864                          | 83,702                     | -                              | 543                            | 102,109              |
| Inventories                                     | -                               | -                          | -                              | 290,941                        | 290,941              |
| <b>Total current assets</b>                     | <b>370,241</b>                  | <b>1,771,867</b>           | <b>7,919,150</b>               | <b>821,400</b>                 | <b>10,882,658</b>    |
| <b>NONCURRENT ASSETS</b>                        |                                 |                            |                                |                                |                      |
| Deposits - insurance                            | -                               | 1,599,995                  | -                              | -                              | 1,599,995            |
| <b>CAPITAL ASSETS</b>                           |                                 |                            |                                |                                |                      |
| Capital assets not being depreciated            | -                               | -                          | 768,303                        | -                              | 768,303              |
| Capital assets being depreciated, cost          | 65,253                          | -                          | 11,624,589                     | 139,860                        | 11,829,702           |
| Accumulated depreciation                        | (51,677)                        | -                          | (7,874,792)                    | (125,520)                      | (8,051,989)          |
| <b>Net capital assets</b>                       | <b>13,576</b>                   | <b>-</b>                   | <b>4,518,100</b>               | <b>14,340</b>                  | <b>4,546,016</b>     |
| <b>Total assets</b>                             | <b>383,817</b>                  | <b>3,371,862</b>           | <b>12,437,250</b>              | <b>835,740</b>                 | <b>17,028,669</b>    |
| <b>CURRENT LIABILITIES</b>                      |                                 |                            |                                |                                |                      |
| Accounts payable                                | 1,549                           | 9,804                      | 28,232                         | 18,732                         | 58,317               |
| Accrued payroll                                 | -                               | -                          | -                              | 15,916                         | 15,916               |
| Claims payable                                  | -                               | 929,486                    | -                              | -                              | 929,486              |
| Other payables                                  | -                               | 87,781                     | -                              | -                              | 87,781               |
| Compensated absences payable                    | -                               | -                          | -                              | 25,863                         | 25,863               |
| <b>Total current liabilities</b>                | <b>1,549</b>                    | <b>1,027,071</b>           | <b>28,232</b>                  | <b>60,511</b>                  | <b>1,117,363</b>     |
| <b>LONG-TERM LIABILITIES</b>                    |                                 |                            |                                |                                |                      |
| Compensated absences payable                    | -                               | -                          | -                              | 103,450                        | 103,450              |
| Net other postemployment<br>benefits obligation | -                               | -                          | -                              | 10,247                         | 10,247               |
| <b>Total long-term liabilities</b>              | <b>-</b>                        | <b>-</b>                   | <b>-</b>                       | <b>113,697</b>                 | <b>113,697</b>       |
| <b>Total liabilities</b>                        | <b>1,549</b>                    | <b>1,027,071</b>           | <b>28,232</b>                  | <b>174,208</b>                 | <b>1,231,060</b>     |
| <b>NET POSITION</b>                             |                                 |                            |                                |                                |                      |
| Investment in capital assets                    | 13,576                          | -                          | 4,518,100                      | 14,340                         | 4,546,016            |
| Unrestricted                                    | 368,692                         | 2,344,791                  | 7,890,918                      | 647,192                        | 11,251,593           |
| <b>TOTAL NET POSITION</b>                       | <b>\$ 382,268</b>               | <b>\$ 2,344,791</b>        | <b>\$ 12,409,018</b>           | <b>\$ 661,532</b>              | <b>\$ 15,797,609</b> |

(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, 2014

|  | <b>Computer<br/>Replacement</b> | <b>Risk<br/>Management</b> | <b>Vehicle<br/>Replacement</b> | <b>Vehicle<br/>Maintenance</b> | <b>Total</b>         |
|--|---------------------------------|----------------------------|--------------------------------|--------------------------------|----------------------|
| <b>OPERATING REVENUES</b>                |                                 |                            |                                |                                |                      |
| Charges for services                     | \$ 23,088                       | \$ 6,461,362               | \$ 1,362,550                   | \$ 2,138,317                   | \$ 9,985,317         |
| Contributions                            | -                               | 1,307,936                  | -                              | -                              | 1,307,936            |
| Miscellaneous                            | -                               | 31,698                     | -                              | 526                            | 32,224               |
| Total operating revenues                 | 23,088                          | 7,800,996                  | 1,362,550                      | 2,138,843                      | 11,325,477           |
| <b>OPERATING EXPENSES</b>                |                                 |                            |                                |                                |                      |
| Administration and maintenance           | 142,362                         | 380,326                    | 5,960                          | 2,050,009                      | 2,578,657            |
| Insurance and claims                     | -                               | 7,020,470                  | -                              | -                              | 7,020,470            |
| Depreciation                             | 13,051                          | -                          | 575,113                        | 3,187                          | 591,351              |
| Total operating expenses                 | 155,413                         | 7,400,796                  | 581,073                        | 2,053,196                      | 10,190,478           |
| OPERATING INCOME (LOSS)                  | (132,325)                       | 400,200                    | 781,477                        | 85,647                         | 1,134,999            |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                                 |                            |                                |                                |                      |
| Investment income                        | 738                             | 2,222                      | 6,763                          | 554                            | 10,277               |
| Gain on disposal of capital assets       | -                               | -                          | 65,034                         | -                              | 65,034               |
| Total non-operating revenues (expenses)  | 738                             | 2,222                      | 71,797                         | 554                            | 75,311               |
| CHANGES IN NET POSITION                  | (131,587)                       | 402,422                    | 853,274                        | 86,201                         | 1,210,310            |
| NET POSITION, JANUARY 1                  | 513,855                         | 1,942,369                  | 11,555,744                     | 575,331                        | 14,587,299           |
| <b>NET POSITION, DECEMBER 31</b>         | <b>\$ 382,268</b>               | <b>\$ 2,344,791</b>        | <b>\$ 12,409,018</b>           | <b>\$ 661,532</b>              | <b>\$ 15,797,609</b> |

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2014

|   | <b>Computer<br/>Replacement</b> | <b>Risk<br/>Management</b> | <b>Vehicle<br/>Replacement</b> | <b>Vehicle<br/>Maintenance</b> | <b>Total</b>         |
|---|---------------------------------|----------------------------|--------------------------------|--------------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                 |                            |                                |                                |                      |
| Receipts from customers and users                                   | \$ -                            | \$ 1,310,560               | \$ -                           | \$ -                           | \$ 1,310,560         |
| Receipts from interfund services                                    | 23,088                          | 6,461,362                  | 1,346,300                      | 2,138,317                      | 9,969,067            |
| Receipts from miscellaneous revenues                                | -                               | 31,698                     | 16,718                         | 375                            | 48,791               |
| Payments to suppliers   | (158,678)                       | (8,368,756)                | 21,922                         | (790,991)                      | (9,296,503)          |
| Payments to employees   | -                               | -                          | -                              | (1,389,379)                    | (1,389,379)          |
| Net cash from operating activities                                  | (135,590)                       | (565,136)                  | 1,384,940                      | (41,678)                       | 642,536              |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                 |                            |                                |                                |                      |
| Transfer in   | -                               | -                          | -                              | -                              | -                    |
| Net cash from noncapital financing activities                       | -                               | -                          | -                              | -                              | -                    |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                                 |                            |                                |                                |                      |
| Proceeds from sale of capital assets                                | -                               | -                          | 122,182                        | -                              | 122,182              |
| Purchase of capital assets  | -                               | -                          | (1,129,134)                    | -                              | (1,129,134)          |
| Net cash from capital and related<br>financing activities           | -                               | -                          | (1,006,952)                    | -                              | (1,006,952)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                 |                            |                                |                                |                      |
| Sale of investments   | -                               | -                          | -                              | -                              | -                    |
| Purchase of investments   | -                               | -                          | -                              | -                              | -                    |
| Investment income   | 738                             | 2,222                      | 6,763                          | 554                            | 10,277               |
| Net cash from investing activities                                  | 738                             | 2,222                      | 6,763                          | 554                            | 10,277               |
| NET INCREASE (DECREASE) IN<br>CASH AND CASH EQUIVALENTS             | (134,852)                       | (562,914)                  | 384,751                        | (41,124)                       | (354,139)            |
| CASH AND CASH EQUIVALENTS,<br>JANUARY 1                             | 487,229                         | 2,251,079                  | 7,532,245                      | 559,797                        | 10,830,350           |
| <b>CASH AND CASH EQUIVALENTS,<br/>DECEMBER 31</b>                   | <b>\$ 352,377</b>               | <b>\$ 1,688,165</b>        | <b>\$ 7,916,996</b>            | <b>\$ 518,673</b>              | <b>\$ 10,476,211</b> |

(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, 2014

|  | <b>Computer<br/>Replacement</b> | <b>Risk<br/>Management</b> | <b>Vehicle<br/>Replacement</b> | <b>Vehicle<br/>Maintenance</b> | <b>Total</b>         |
|--|---------------------------------|----------------------------|--------------------------------|--------------------------------|----------------------|
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |                                 |                            |                                |                                |                      |
| Operating income (loss)  | \$ (132,325)                    | \$ 400,200                 | \$ 781,477                     | \$ 85,647                      | \$ 1,134,999         |
| Adjustments to reconcile operating income (loss) to<br>net cash from operating activities            |                                 |                            |                                |                                |                      |
| Depreciation   | 13,051                          | -                          | 575,113                        | 3,187                          | 591,351              |
| Changes in assets and liabilities  |                                 |                            |                                |                                |                      |
| Receivables  | -                               | 2,624                      | 468                            | (151)                          | 2,941                |
| Inventories  | -                               | -                          | -                              | 390                            | 390                  |
| Prepaid expenses   | (17,865)                        | (10,602)                   | -                              | (22)                           | (28,489)             |
| Deposits - insurance   | -                               | (1,078,185)                | -                              | -                              | (1,078,185)          |
| Accounts payable   | 1,549                           | 41,220                     | 27,882                         | (43,360)                       | 27,291               |
| Accrued payroll and compensated absences   | -                               | -                          | -                              | (90,920)                       | (90,920)             |
| Net other postemployment benefits obligation   | -                               | -                          | -                              | 3,551                          | 3,551                |
| Claims payable   | -                               | 79,607                     | -                              | -                              | 79,607               |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>\$ (135,590)</b>             | <b>\$ (565,136)</b>        | <b>\$ 1,384,940</b>            | <b>\$ (41,678)</b>             | <b>\$ 642,536</b>    |
| <b>CASH AND INVESTMENTS</b>  |                                 |                            |                                |                                |                      |
| Cash and cash equivalents  | \$ 352,377                      | \$ 1,688,165               | \$ 7,916,996                   | \$ 518,673                     | \$ 10,476,211        |
| Investments  | -                               | -                          | -                              | -                              | -                    |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b>\$ 352,377</b>               | <b>\$ 1,688,165</b>        | <b>\$ 7,916,996</b>            | <b>\$ 518,673</b>              | <b>\$ 10,476,211</b> |
| <b>NONCASH TRANSACTIONS</b>  |                                 |                            |                                |                                |                      |
| None   | \$ -                            | \$ -                       | \$ -                           | \$ -                           | \$ -                 |

(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

For the Year Ended December 31, 2014

|  | <b>Budget</b>       |                     | <b>Actual</b>            |
|--|---------------------|---------------------|--------------------------|
|  | <b>Original</b>     | <b>Final</b>        |                          |
| <b>OPERATING REVENUES</b>                |                     |                     |                          |
| Charges for services                     |                     |                     |                          |
| Refuse Disposal Fund                     | \$ 771              | \$ 771              | \$ 771                   |
| Water and Sewer Fund                     | 19,232              | 19,232              | 19,232                   |
| Vehicle Maintenance Fund                 | 3,085               | 3,085               | 3,085                    |
|  | <hr/>               |                     |                          |
| Total operating revenues                 | 23,088              | 23,088              | 23,088                   |
| <hr/>                                    |                     |                     |                          |
| <b>OPERATING EXPENSES</b>                |                     |                     |                          |
| Administration                           |                     |                     |                          |
| Capital outlay                           | 247,480             | 247,480             | 142,362                  |
| Depreciation                             | -                   | -                   | 13,051                   |
|  | <hr/>               |                     |                          |
| Total operating expenses                 | 247,480             | 247,480             | 155,413                  |
| <hr/>                                    |                     |                     |                          |
| OPERATING INCOME (LOSS)                  | (224,392)           | (224,392)           | (132,325)                |
| <hr/>                                    |                     |                     |                          |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                     |                     |                          |
| Investment income                        | 1,000               | 1,000               | 738                      |
| <hr/>                                    |                     |                     |                          |
| CHANGE IN NET POSITION                   | <u>\$ (223,392)</u> | <u>\$ (223,392)</u> | (131,587)                |
| <hr/>                                    |                     |                     |                          |
| NET POSITION, JANUARY 1                  |                     |                     | <u>513,855</u>           |
| <hr/>                                    |                     |                     |                          |
| <b>NET POSITION, DECEMBER 31</b>         |                     |                     | <u><u>\$ 382,268</u></u> |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

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|                                 | <b>Budget</b>     |                   | <b>Actual</b>     |
|---------------------------------|-------------------|-------------------|-------------------|
|                                 | <b>Original</b>   | <b>Final</b>      |                   |
| <b>ADMINISTRATION</b>           |                   |                   |                   |
| Capital outlay                  | \$ 247,480        | \$ 247,480        | \$ 142,362        |
| Total administration            | 247,480           | 247,480           | 142,362           |
| Depreciation                    | -                 | -                 | 13,051            |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 247,480</b> | <b>\$ 247,480</b> | <b>\$ 155,413</b> |

(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**

For the Year Ended December 31, 2014

|  | <b>Budget</b>      |                     | <b>Actual</b>       |
|--|--------------------|---------------------|---------------------|
|  | <b>Original</b>    | <b>Final</b>        |                     |
| <b>OPERATING REVENUES</b>                |                    |                     |                     |
| Charges for services                     | \$ 6,456,273       | \$ 6,456,273        | \$ 6,461,362        |
| Contributions                            | 1,357,600          | 1,357,600           | 1,307,936           |
| Miscellaneous                            | 1,000              | 1,000               | 31,698              |
| Total operating revenues                 | <u>7,814,873</u>   | <u>7,814,873</u>    | <u>7,800,996</u>    |
| <b>OPERATING EXPENSES</b>                |                    |                     |                     |
| Administration                           | 388,682            | 388,682             | 380,326             |
| Insurance and claims                     | 7,456,256          | 8,416,256           | 7,020,470           |
| Total operating expenses                 | <u>7,844,938</u>   | <u>8,804,938</u>    | <u>7,400,796</u>    |
| OPERATING INCOME (LOSS)                  | (30,065)           | (990,065)           | 400,200             |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                    |                     |                     |
| Investment income                        | 2,000              | 2,000               | 2,222               |
| CHANGE IN NET POSITION                   | <u>\$ (28,065)</u> | <u>\$ (988,065)</u> | 402,422             |
| NET POSITION, JANUARY 1                  |                    |                     | <u>1,942,369</u>    |
| <b>NET POSITION, DECEMBER 31</b>         |                    |                     | <u>\$ 2,344,791</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

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|                                 | <b>Budget</b>       |                     | <b>Actual</b>       |
|---------------------------------|---------------------|---------------------|---------------------|
|                                 | <b>Original</b>     | <b>Final</b>        |                     |
| <b>OPERATING REVENUES</b>       |                     |                     |                     |
| Charges for services            |                     |                     |                     |
| General Fund                    | \$ 5,509,258        | \$ 5,509,258        | \$ 5,371,196        |
| Refuse Disposal Fund            | 34,280              | 34,280              | 34,280              |
| Water and Sewer Fund            | 125,594             | 125,594             | 125,594             |
| Parking System Revenue Fund     | 1,406               | 1,406               | 1,406               |
| Village Parking Fund            | 1,175               | 1,175               | 1,175               |
| Vehicle Maintenance Fund        | 22,560              | 22,560              | 22,560              |
| Library                         | 762,000             | 762,000             | 905,151             |
| Total charges for services      | 6,456,273           | 6,456,273           | 6,461,362           |
| Contributions                   |                     |                     |                     |
| Employee                        |                     |                     |                     |
| Health insurance                | 467,000             | 467,000             | 447,179             |
| Additional life insurance       | 12,600              | 12,600              | 12,504              |
| Retiree                         |                     |                     |                     |
| Health insurance                | 878,000             | 878,000             | 848,253             |
| Total contributions             | 1,357,600           | 1,357,600           | 1,307,936           |
| Miscellaneous                   |                     |                     |                     |
| Other reimbursements            | 1,000               | 1,000               | 31,213              |
| Miscellaneous income            | -                   | -                   | 485                 |
| Total miscellaneous             | 1,000               | 1,000               | 31,698              |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$ 7,814,873</b> | <b>\$ 7,814,873</b> | <b>\$ 7,800,996</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|                                     | <b>Budget</b>       |                     | <b>Actual</b>       |
|-------------------------------------|---------------------|---------------------|---------------------|
|                                     | <b>Original</b>     | <b>Final</b>        |                     |
| <b>ADMINISTRATION</b>               |                     |                     |                     |
| Casualty and property program       |                     |                     |                     |
| Claims administration               | \$ 10,000           | \$ 10,000           | \$ 13,630           |
| Other contractual services          | 12,000              | 12,000              | 10,300              |
| Total casualty and property program | 22,000              | 22,000              | 23,930              |
| Medical program                     |                     |                     |                     |
| Claims administration               | 298,682             | 298,682             | 296,580             |
| Workers' compensation               |                     |                     |                     |
| Claims administration               | 63,000              | 63,000              | 59,816              |
| Capital outlay                      |                     |                     |                     |
| Other equipment                     | 5,000               | 5,000               | -                   |
| Total administration                | 388,682             | 388,682             | 380,326             |
| <b>INSURANCE AND CLAIMS</b>         |                     |                     |                     |
| Casualty and property program       |                     |                     |                     |
| Property insurance                  | 112,000             | 112,000             | 108,622             |
| HELP excess liability insurance     | 77,500              | 77,500              | 79,755              |
| Workers' compensation insurance     | 78,000              | 78,000              | 87,054              |
| Faithful performance insurance      | 3,000               | 3,000               | 2,678               |
| Surety bonds                        | 2,000               | 2,000               | 900                 |
| Other insurance                     | 2,500               | 2,500               | 2,311               |
| Property claims                     | 1,000               | 1,000               | -                   |
| Liability claims                    | 100,000             | 710,000             | 739,192             |
| Workers' compensation claims        | 420,000             | 770,000             | 704,889             |
| Auto claims                         | 20,000              | 20,000              | 37,297              |
| Village property claims             | 20,000              | 20,000              | 6,538               |
| Unemployment compensation claims    | 10,000              | 10,000              | -                   |
| Tree hazard study                   | 15,000              | 15,000              | 5,688               |
| Other claims                        | 2,000               | 2,000               | 6,381               |
| Total casualty and property program | 863,000             | 1,823,000           | 1,781,305           |
| Medical program                     |                     |                     |                     |
| Medical expense - HMO plan          | 1,759,958           | 1,759,958           | 1,671,984           |
| Medical expense - indemnity plan    | 4,801,838           | 4,801,838           | 3,541,344           |
| Life insurance                      | 31,460              | 31,460              | 25,837              |
| Total medical program               | 6,593,256           | 6,593,256           | 5,239,165           |
| Total insurance and claims          | 7,456,256           | 8,416,256           | 7,020,470           |
| <b>TOTAL OPERATING EXPENSES</b>     | <b>\$ 7,844,938</b> | <b>\$ 8,804,938</b> | <b>\$ 7,400,796</b> |

(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**

For the Year Ended December 31, 2014

|  | <b>Budget</b>   |              | <b>Actual</b>        |
|--|-----------------|--------------|----------------------|
|  | <b>Original</b> | <b>Final</b> |                      |
| <b>OPERATING REVENUES</b>                |                 |              |                      |
| Charges for services                     | \$ 1,356,300    | \$ 1,356,300 | \$ 1,362,550         |
| <b>OPERATING EXPENSES</b>                |                 |              |                      |
| Administration                           | 467,000         | 630,700      | 5,960                |
| Depreciation                             | -               | -            | 575,113              |
| Total operating expenses                 | 467,000         | 630,700      | 581,073              |
| OPERATING INCOME                         | 889,300         | 725,600      | 781,477              |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                 |              |                      |
| Investment income                        | 5,000           | 5,000        | 6,763                |
| Gain on sale of capital assets           | 60,000          | 60,000       | 65,034               |
| Total non-operating revenues (expenses)  | 65,000          | 65,000       | 71,797               |
| CHANGE IN NET POSITION                   | \$ 954,300      | \$ 790,600   | 853,274              |
| NET POSITION, JANUARY 1                  |                 |              | 11,555,744           |
| <b>NET POSITION, DECEMBER 31</b>         |                 |              | <b>\$ 12,409,018</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|                                  | <b>Budget</b>       |                     | <b>Actual</b>       |
|----------------------------------|---------------------|---------------------|---------------------|
|                                  | <b>Original</b>     | <b>Final</b>        |                     |
| <b>CHARGES FOR SERVICES</b>      |                     |                     |                     |
| General Fund                     |                     |                     |                     |
| Mayor and board                  | \$ 2,500            | \$ 2,500            | \$ 2,500            |
| Manager's office                 | 3,200               | 3,200               | 3,200               |
| Television services division     | 1,600               | 1,600               | 1,600               |
| Community development - planning | 1,500               | 1,500               | 1,500               |
| Community development - building | 2,100               | 2,100               | 2,100               |
| Community development - housing  | 9,800               | 9,800               | 9,800               |
| Community development - health   | 1,500               | 1,500               | 1,500               |
| Police department                | 154,800             | 154,800             | 154,800             |
| Fire department                  | 509,000             | 509,000             | 509,000             |
| Public works department          | 343,700             | 343,700             | 343,700             |
| Engineering division             | 8,900               | 8,900               | 8,900               |
| Water and Sewer Fund             | 283,500             | 283,500             | 283,500             |
| Parking System Revenue Fund      | 9,680               | 9,680               | 9,680               |
| Village Parking Fund             | 14,520              | 14,520              | 14,520              |
| Other fee                        | 10,000              | 10,000              | 16,250              |
| <b>TOTAL OPERATING REVENUE</b>   | <b>\$ 1,356,300</b> | <b>\$ 1,356,300</b> | <b>\$ 1,362,550</b> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

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|                                 | <b>Budget</b>     |                   | <b>Actual</b>     |
|---------------------------------|-------------------|-------------------|-------------------|
|                                 | <b>Original</b>   | <b>Final</b>      |                   |
| <b>OPERATING EXPENSES</b>       |                   |                   |                   |
| Administration                  |                   |                   |                   |
| Capital outlay                  | \$ 1,614,000      | \$ 1,777,700      | \$ 1,135,094      |
| Less capital assets capitalized | (1,147,000)       | (1,147,000)       | (1,129,134)       |
|                                 | <hr/>             | <hr/>             | <hr/>             |
| Total administration            | 467,000           | 630,700           | 5,960             |
|                                 |                   |                   |                   |
| Depreciation                    | -                 | -                 | 575,113           |
|                                 | <hr/>             | <hr/>             | <hr/>             |
| <b>TOTAL OPERATING EXPENSES</b> | <b>\$ 467,000</b> | <b>\$ 630,700</b> | <b>\$ 581,073</b> |

(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**

For the Year Ended December 31, 2014

|                                  | <b>Budget</b>      |                    | <b>Actual</b>     |
|----------------------------------|--------------------|--------------------|-------------------|
|                                  | <b>Original</b>    | <b>Final</b>       |                   |
| <b>OPERATING REVENUES</b>        |                    |                    |                   |
| Charges for services             | \$ 2,138,317       | \$ 2,138,317       | \$ 2,138,317      |
| Miscellaneous income             | -                  | -                  | 526               |
| Total operating revenues         | <u>2,138,317</u>   | <u>2,138,317</u>   | <u>2,138,843</u>  |
| <b>OPERATING EXPENSES</b>        |                    |                    |                   |
| Administration and maintenance   | 2,152,732          | 2,212,732          | 2,050,009         |
| Depreciation                     | -                  | -                  | 3,187             |
| Total operating expenses         | <u>2,152,732</u>   | <u>2,212,732</u>   | <u>2,053,196</u>  |
| OPERATING INCOME (LOSS)          | <u>(14,415)</u>    | <u>(74,415)</u>    | <u>85,647</u>     |
| <b>NON-OPERATING REVENUES</b>    |                    |                    |                   |
| Investment income                | -                  | -                  | 554               |
| Total non-operating revenues     | <u>-</u>           | <u>-</u>           | <u>554</u>        |
| CHANGE IN NET POSITION           | <u>\$ (14,415)</u> | <u>\$ (74,415)</u> | <u>86,201</u>     |
| NET POSITION, JANUARY 1          |                    |                    | <u>575,331</u>    |
| <b>NET POSITION, DECEMBER 31</b> |                    |                    | <u>\$ 661,532</u> |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|                                  | <b>Budget</b>       |                     | <b>Actual</b>       |
|----------------------------------|---------------------|---------------------|---------------------|
|                                  | <b>Original</b>     | <b>Final</b>        |                     |
| <b>CHARGES FOR SERVICES</b>      |                     |                     |                     |
| General Fund                     |                     |                     |                     |
| Mayor and board                  | \$ 3,207            | \$ 3,207            | \$ 3,207            |
| Manager's office                 | 3,207               | 3,207               | 3,207               |
| Television services division     | 3,422               | 3,422               | 3,422               |
| Community development - planning | 3,207               | 3,207               | 3,207               |
| Community development - building | 4,490               | 4,490               | 4,490               |
| Community development - housing  | 22,452              | 22,452              | 22,452              |
| Community development - health   | 3,207               | 3,207               | 3,207               |
| Police department                | 545,486             | 545,486             | 545,486             |
| Fire department                  | 338,496             | 338,496             | 338,496             |
| Public works department          | 663,306             | 663,306             | 663,306             |
| Engineering division             | 34,855              | 34,855              | 34,855              |
| Water and Sewer Fund             | 503,146             | 503,146             | 503,146             |
| Parking System Revenue Fund      | 4,918               | 4,918               | 4,918               |
| Village Parking Fund             | 4,918               | 4,918               | 4,918               |
|                                  |                     |                     |                     |
| Total charges for services       | 2,138,317           | 2,138,317           | 2,138,317           |
| Miscellaneous income             | -                   | -                   | 526                 |
|                                  |                     |                     |                     |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>\$ 2,138,317</b> | <b>\$ 2,138,317</b> | <b>\$ 2,138,843</b> |
|                                  |                     |                     |                     |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|  | <b>Budget</b>       |                     | <b>Actual</b>       |
|--|---------------------|---------------------|---------------------|
|  | <b>Original</b>     | <b>Final</b>        |                     |
| <b>ADMINISTRATION AND MAINTENANCE</b>        |                     |                     |                     |
| Vehicle division administration              |                     |                     |                     |
| Personal services                            | \$ 109,198          | \$ 109,198          | \$ 109,664          |
| Employee benefits                            | 69,053              | 69,053              | 45,746              |
| Other employee costs                         | 2,361               | 2,361               | 2,366               |
| Contractual services                         | 10,383              | 10,383              | 5,539               |
| Utilities                                    | 3,070               | 3,070               | 2,260               |
| Commodities and supplies                     | 1,904               | 1,904               | 2,194               |
| Office equipment                             | 556                 | 556                 | 268                 |
| <b>Total vehicle division administration</b> | <b>196,525</b>      | <b>196,525</b>      | <b>168,037</b>      |
| Vehicle maintenance program                  |                     |                     |                     |
| Personal services                            | 831,331             | 891,331             | 844,022             |
| Employee benefits                            | 315,574             | 315,574             | 302,578             |
| Contractual services                         | 90,355              | 90,355              | 78,350              |
| Commodities and supplies                     | 699,177             | 699,177             | 638,633             |
| Other equipment                              | 19,770              | 19,770              | 18,389              |
| <b>Total vehicle maintenance program</b>     | <b>1,956,207</b>    | <b>2,016,207</b>    | <b>1,881,972</b>    |
| <b>Total administration and maintenance</b>  | <b>2,152,732</b>    | <b>2,212,732</b>    | <b>2,050,009</b>    |
| Depreciation                                 | -                   | -                   | 3,187               |
| <b>TOTAL OPERATING EXPENSES</b>              | <b>\$ 2,152,732</b> | <b>\$ 2,212,732</b> | <b>\$ 2,053,196</b> |

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **PENSION TRUST FUNDS**

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

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

### **AGENCY FUNDS**

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

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

Library Bonds Escrow Fund - to account for the accumulation of resources for the Library bond issue payments.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2014

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|  | <b>Police<br/>Pension</b> | <b>Firefighters'<br/>Pension</b> | <b>Total</b>          |
|--|---------------------------|----------------------------------|-----------------------|
| <b>ASSETS</b>  |                           |                                  |                       |
| Cash and cash equivalents                                  | \$ 1,371,257              | \$ 919,531                       | \$ 2,290,788          |
| Investments  |                           |                                  |                       |
| State and local obligations                                | 2,530,858                 | 1,306,034                        | 3,836,892             |
| U.S. Government and agency obligations                     | 12,614,255                | 11,880,289                       | 24,494,544            |
| Corporate bonds and obligations                            | 8,004,178                 | 7,464,901                        | 15,469,079            |
| Mutual funds   | 34,140,326                | 34,859,858                       | 69,000,184            |
|  | <hr/>                     |                                  |                       |
| Total cash and investments                                 | 58,660,874                | 56,430,613                       | 115,091,487           |
| Accrued interest receivable                                | 129,425                   | 107,671                          | 237,096               |
| Due from other funds                                       | 56,708                    | 47,439                           | 104,147               |
| Prepays  | 1,392                     | 1,110                            | 2,502                 |
| Other receivables  | 309                       | -                                | 309                   |
|  | <hr/>                     |                                  |                       |
| Total assets   | 58,848,708                | 56,586,833                       | 115,435,541           |
| <b>LIABILITIES</b>   |                           |                                  |                       |
| Accounts payable   | 28,783                    | 18,494                           | 47,277                |
|  | <hr/>                     |                                  |                       |
| Total liabilities  | 28,783                    | 18,494                           | 47,277                |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                           |                                  |                       |
|  | <u>\$ 58,819,925</u>      | <u>\$ 56,568,339</u>             | <u>\$ 115,388,264</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2014

|  | <b>Police<br/>Pension</b> | <b>Firefighters'<br/>Pension</b> | <b>Total</b>   |
|--|---------------------------|----------------------------------|----------------|
| <b>ADDITIONS</b>   |                           |                                  |                |
| Contributions  |                           |                                  |                |
| Employer   | \$ 2,924,226              | \$ 2,466,115                     | \$ 5,390,341   |
| Plan members   | 851,363                   | 644,384                          | 1,495,747      |
| Other  | -                         | 50                               | 50             |
|  |                           |                                  |                |
| Total contributions  | 3,775,589                 | 3,110,549                        | 6,886,138      |
|  |                           |                                  |                |
| Investment income  |                           |                                  |                |
| Interest earned  | 790,677                   | 648,749                          | 1,439,426      |
| Net change in fair value                                   | 3,157,710                 | 3,399,771                        | 6,557,481      |
| Less investment expenses                                   | (102,525)                 | (85,268)                         | (187,793)      |
|  |                           |                                  |                |
| Net investment income                                      | 3,845,862                 | 3,963,252                        | 7,809,114      |
|  |                           |                                  |                |
| Total additions  | 7,621,451                 | 7,073,801                        | 14,695,252     |
|  |                           |                                  |                |
| <b>DEDUCTIONS</b>  |                           |                                  |                |
| Administration   | 60,382                    | 62,889                           | 123,271        |
| Benefits and refunds                                       | 4,117,120                 | 4,158,988                        | 8,276,108      |
|  |                           |                                  |                |
| Total deductions   | 4,177,502                 | 4,221,877                        | 8,399,379      |
|  |                           |                                  |                |
| <b>NET INCREASE</b>  | 3,443,949                 | 2,851,924                        | 6,295,873      |
|  |                           |                                  |                |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                           |                                  |                |
| January 1  | 55,375,976                | 53,716,415                       | 109,092,391    |
|  |                           |                                  |                |
| December 31  | \$ 58,819,925             | \$ 56,568,339                    | \$ 115,388,264 |
|  |                           |                                  |                |

(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, 2014

|  | <b>Budget</b>       |                     | <b>Actual</b>        |
|--|---------------------|---------------------|----------------------|
|  | <b>Original</b>     | <b>Final</b>        |                      |
| <b>ADDITIONS</b>   |                     |                     |                      |
| Contributions  |                     |                     |                      |
| Employer   | \$ 2,923,224        | \$ 2,923,224        | \$ 2,924,226         |
| Plan members   | 817,000             | 817,000             | 851,363              |
| Other  | 2,000               | 2,000               | -                    |
| Total contributions  | <u>3,742,224</u>    | <u>3,742,224</u>    | <u>3,775,589</u>     |
| Investment income  |                     |                     |                      |
| Interest earned  | 711,900             | 711,900             | 790,677              |
| Net change in fair value                                   | 2,704,000           | 2,930,000           | 3,157,710            |
| Less investment expenses                                   | (101,000)           | (101,000)           | (102,525)            |
| Net investment income                                      | <u>3,314,900</u>    | <u>3,540,900</u>    | <u>3,845,862</u>     |
| Total additions  | <u>7,057,124</u>    | <u>7,283,124</u>    | <u>7,621,451</u>     |
| <b>DEDUCTIONS</b>  |                     |                     |                      |
| Administration   | 61,450              | 75,450              | 60,382               |
| Benefits and refunds                                       | 3,937,366           | 4,126,366           | 4,117,120            |
| Total deductions   | <u>3,998,816</u>    | <u>4,201,816</u>    | <u>4,177,502</u>     |
| NET INCREASE   | <u>\$ 3,058,308</u> | <u>\$ 3,081,308</u> | 3,443,949            |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                     |                     |                      |
| January 1  |                     |                     | <u>55,375,976</u>    |
| December 31  |                     |                     | <u>\$ 58,819,925</u> |

(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, 2014

|  | <b>Budget</b>       |                     | <b>Actual</b>        |
|--|---------------------|---------------------|----------------------|
|  | <b>Original</b>     | <b>Final</b>        |                      |
| <b>ADDITIONS</b>   |                     |                     |                      |
| Contributions  |                     |                     |                      |
| Employer   | \$ 2,469,042        | \$ 2,469,042        | \$ 2,466,115         |
| Plan members   | 608,000             | 608,000             | 644,384              |
| Other  | 2,000               | 2,000               | 50                   |
| Total contributions  | <u>3,079,042</u>    | <u>3,079,042</u>    | <u>3,110,549</u>     |
| Investment income  |                     |                     |                      |
| Interest earned  | 658,200             | 658,200             | 648,749              |
| Net change in fair value                                   | 2,507,000           | 2,287,000           | 3,399,771            |
| Less investment expenses                                   | (89,000)            | (89,000)            | (85,268)             |
| Net investment income                                      | <u>3,076,200</u>    | <u>2,856,200</u>    | <u>3,963,252</u>     |
| Total additions  | <u>6,155,242</u>    | <u>5,935,242</u>    | <u>7,073,801</u>     |
| <b>DEDUCTIONS</b>  |                     |                     |                      |
| Administration   | 63,600              | 77,600              | 62,889               |
| Benefits and refunds                                       | 4,021,161           | 4,166,161           | 4,158,988            |
| Total deductions   | <u>4,084,761</u>    | <u>4,243,761</u>    | <u>4,221,877</u>     |
| NET INCREASE   | <u>\$ 2,070,481</u> | <u>\$ 1,691,481</u> | 2,851,924            |
| <b>NET POSITION HELD IN TRUST<br/>FOR PENSION BENEFITS</b> |                     |                     |                      |
| January 1  |                     |                     | <u>53,716,415</u>    |
| December 31  |                     |                     | <u>\$ 56,568,339</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, 2014

|                            | <b>Balances<br/>January 1</b> | <b>Additions</b>    | <b>Deductions</b>   | <b>Balances<br/>December 31</b> |
|----------------------------|-------------------------------|---------------------|---------------------|---------------------------------|
| <b>All Funds</b>           |                               |                     |                     |                                 |
| <b>ASSETS</b>              |                               |                     |                     |                                 |
| Cash and investments       | \$ 1,511,610                  | \$ 4,734,280        | \$ 5,036,402        | \$ 1,209,488                    |
| Due from other funds       | -                             | 99,210              | 99,210              | -                               |
| Other receivables          | -                             | 16,810              | 16,810              | -                               |
| <b>TOTAL ASSETS</b>        | <b>\$ 1,511,610</b>           | <b>\$ 4,850,300</b> | <b>\$ 5,152,422</b> | <b>\$ 1,209,488</b>             |
| <b>LIABILITIES</b>         |                               |                     |                     |                                 |
| Deposits payable           | \$ 1,504,273                  | \$ 1,503,236        | \$ 1,798,021        | \$ 1,209,488                    |
| Due to other funds         | -                             | 412,690             | 412,690             | -                               |
| Other liabilities          | 7,221                         | 944,818             | 952,039             | -                               |
| Due to other governments   | 116                           | 1,574,893           | 1,575,009           | -                               |
| <b>TOTAL LIABILITIES</b>   | <b>\$ 1,511,610</b>           | <b>\$ 4,435,637</b> | <b>\$ 4,737,759</b> | <b>\$ 1,209,488</b>             |
| <b>Escrow Deposit Fund</b> |                               |                     |                     |                                 |
| <b>ASSETS</b>              |                               |                     |                     |                                 |
| Cash and investments       | \$ 1,472,644                  | \$ 1,655,933        | \$ 1,952,206        | \$ 1,176,371                    |
| Due from other funds       | -                             | 99,210              | 99,210              | -                               |
| Other receivables          | -                             | 16,810              | 16,810              | -                               |
| <b>TOTAL ASSETS</b>        | <b>\$ 1,472,644</b>           | <b>\$ 1,771,953</b> | <b>\$ 2,068,226</b> | <b>\$ 1,176,371</b>             |
| <b>LIABILITIES</b>         |                               |                     |                     |                                 |
| Deposits payable           | \$ 1,465,423                  | \$ 1,266,768        | \$ 1,555,820        | \$ 1,176,371                    |
| Due to other funds         | -                             | 400,231             | 400,231             | -                               |
| Other liabilities          | 7,221                         | 944,818             | 952,039             | -                               |
| <b>TOTAL LIABILITIES</b>   | <b>\$ 1,472,644</b>           | <b>\$ 2,611,817</b> | <b>\$ 2,908,090</b> | <b>\$ 1,176,371</b>             |

(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, 2014

|                                  | <b>Balances</b>  |           | <b>Additions</b>    |           | <b>Deductions</b>   |           | <b>Balances</b>    |
|----------------------------------|------------------|-----------|---------------------|-----------|---------------------|-----------|--------------------|
|                                  | <b>January 1</b> |           |                     |           |                     |           | <b>December 31</b> |
| <b>Flexcomp Escrow Fund</b>      |                  |           |                     |           |                     |           |                    |
| <b>ASSETS</b>                    |                  |           |                     |           |                     |           |                    |
| Cash and investments             | \$ 38,850        | \$        | \$ 392,991          | \$        | \$ 398,724          | \$        | \$ 33,117          |
| <b>TOTAL ASSETS</b>              | <b>\$ 38,850</b> | <b>\$</b> | <b>\$ 392,991</b>   | <b>\$</b> | <b>\$ 398,724</b>   | <b>\$</b> | <b>\$ 33,117</b>   |
| <b>LIABILITIES</b>               |                  |           |                     |           |                     |           |                    |
| Deposits payable                 | \$ 38,850        | \$        | \$ 236,468          | \$        | \$ 242,201          | \$        | \$ 33,117          |
| Due to other funds               | -                |           | 12,459              |           | 12,459              |           | -                  |
| <b>TOTAL LIABILITIES</b>         | <b>\$ 38,850</b> | <b>\$</b> | <b>\$ 248,927</b>   | <b>\$</b> | <b>\$ 254,660</b>   | <b>\$</b> | <b>\$ 33,117</b>   |
| <b>Library Bonds Escrow Fund</b> |                  |           |                     |           |                     |           |                    |
| <b>ASSETS</b>                    |                  |           |                     |           |                     |           |                    |
| Cash and investments             | \$ 116           | \$        | \$ 2,685,356        | \$        | \$ 2,685,472        | \$        | \$ -               |
| <b>TOTAL ASSETS</b>              | <b>\$ 116</b>    | <b>\$</b> | <b>\$ 2,685,356</b> | <b>\$</b> | <b>\$ 2,685,472</b> | <b>\$</b> | <b>\$ -</b>        |
| <b>LIABILITIES</b>               |                  |           |                     |           |                     |           |                    |
| Due to other governments         | \$ 116           | \$        | \$ 1,574,893        | \$        | \$ 1,575,009        | \$        | \$ -               |
| <b>TOTAL LIABILITIES</b>         | <b>\$ 116</b>    | <b>\$</b> | <b>\$ 1,574,893</b> | <b>\$</b> | <b>\$ 1,575,009</b> | <b>\$</b> | <b>\$ -</b>        |

(See independent auditor's report.)

## **LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS**

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2014

|   | General<br>Obligation<br>Bonds of<br>2006 | General<br>Obligation<br>Bonds of<br>2009 | General<br>Obligation<br>Bonds of<br>2009B | General<br>Obligation<br>Bonds of<br>2009C | General<br>Obligation<br>Bonds of<br>2011A | General<br>Obligation<br>Bonds of<br>2011B | General<br>Obligation<br>Bonds of<br>2012C | General<br>Obligation<br>Bonds of<br>2013 |
|---|---|---|--|--|--|--|--|---|
| <b>AMOUNT TO BE PROVIDED<br/>FOR THE RETIREMENT OF<br/>GENERAL LONG-TERM DEBT</b> |   |   |  |  |  |  |  |   |
| Amount to be provided for retirement<br>of general long-term debt                 | \$ 9,610,000                              | \$ 9,800,000                              | \$ 2,340,000                               | \$ 2,625,000                               | \$ 1,825,000                               | \$ 4,355,000                               | \$ 1,745,000                               | \$ 9,800,000                              |
| <b>TOTAL</b>  | <b>\$ 9,610,000</b>                       | <b>\$ 9,800,000</b>                       | <b>\$ 2,340,000</b>                        | <b>\$ 2,625,000</b>                        | <b>\$ 1,825,000</b>                        | <b>\$ 4,355,000</b>                        | <b>\$ 1,745,000</b>                        | <b>\$ 9,800,000</b>                       |
| <b>GENERAL LONG-TERM<br/>DEBT PAYABLE</b>   |   |   |  |  |  |  |  |   |
| General obligation bonds payable  | \$ 9,610,000                              | \$ 9,800,000                              | \$ 2,340,000                               | \$ 2,625,000                               | \$ 1,825,000                               | \$ 4,355,000                               | \$ 1,745,000                               | \$ 9,800,000                              |
| IEPA flood loans  | -   | -   | -  | -  | -  | -  | -  | -   |
| Installment notes payable   | -   | -   | -  | -  | -  | -  | -  | -   |
| Business district limited tax note payable  | -   | -   | -  | -  | -  | -  | -  | -   |
| Compensated absences payable  | -   | -   | -  | -  | -  | -  | -  | -   |
| Net pension obligation  | -   | -   | -  | -  | -  | -  | -  | -   |
| Net other postemployment benefit obligation                                       | -   | -   | -  | -  | -  | -  | -  | -   |
| <b>TOTAL</b>  | <b>\$ 9,610,000</b>                       | <b>\$ 9,800,000</b>                       | <b>\$ 2,340,000</b>                        | <b>\$ 2,625,000</b>                        | <b>\$ 1,825,000</b>                        | <b>\$ 4,355,000</b>                        | <b>\$ 1,745,000</b>                        | <b>\$ 9,800,000</b>                       |

(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, 2014

|   | General<br>Obligation<br>Bonds of<br>2014 | Loan<br>Contracts<br>Payable | Installment<br>Notes | Business<br>District<br>Limited Tax<br>Note | Compensated<br>Absences | Net<br>Pension<br>Obligation | Net Other<br>Postemployment<br>Benefit<br>Obligation | Total                |
|---|---|------------------------------|----------------------|---|-------------------------|------------------------------|--|----------------------|
| <b>AMOUNT TO BE PROVIDED<br/>FOR THE RETIREMENT OF<br/>GENERAL LONG-TERM DEBT</b> |   |                              |                      |   |                         |                              |  |                      |
| Amount to be provided for retirement<br>of general long-term debt                 | \$ 5,975,000                              | \$ 721,927                   | \$ 2,340,000         | \$ 31,514,427                               | \$ 3,335,452            | \$ 628,724                   | \$ 890,697   | \$ 87,506,227        |
| <b>TOTAL</b>  | <b>\$ 5,975,000</b>                       | <b>\$ 721,927</b>            | <b>\$ 2,340,000</b>  | <b>\$ 31,514,427</b>                        | <b>\$ 3,335,452</b>     | <b>\$ 628,724</b>            | <b>\$ 890,697</b>                                    | <b>\$ 87,506,227</b> |
| <b>GENERAL LONG-TERM<br/>DEBT PAYABLE</b>   |   |                              |                      |   |                         |                              |  |                      |
| General obligation bonds payable  | \$ 5,975,000                              | \$ -                         | \$ -                 | \$ -  | \$ -                    | \$ -                         | \$ -   | \$ 48,075,000        |
| IEPA flood loans  | -   | 721,927                      | -                    | -   | -                       | -                            | -  | 721,927              |
| Installment notes payable   | -   | -                            | 2,340,000            | -   | -                       | -                            | -  | 2,340,000            |
| Business district limited tax note payable  | -   | -                            | -                    | 31,514,427                                  | -                       | -                            | -  | 31,514,427           |
| Compensated absences payable  | -   | -                            | -                    | -   | 3,335,452               | -                            | -  | 3,335,452            |
| Net pension obligation  | -   | -                            | -                    | -   | -                       | 628,724                      | -  | 628,724              |
| Net other postemployment benefit obligation                                       | -   | -                            | -                    | -   | -                       | -                            | 890,697  | 890,697              |
| <b>TOTAL</b>  | <b>\$ 5,975,000</b>                       | <b>\$ 721,927</b>            | <b>\$ 2,340,000</b>  | <b>\$ 31,514,427</b>                        | <b>\$ 3,335,452</b>     | <b>\$ 628,724</b>            | <b>\$ 890,697</b>                                    | <b>\$ 87,506,227</b> |

(See independent auditor's report.)

## **LONG-TERM DEBT REQUIREMENTS**

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2006

December 31, 2014

|                         |                        |
|-------------------------|------------------------|
| Date of Issue           | December 15, 2006      |
| Date of Maturity        | December 1, 2022       |
| Authorized Issue        | \$10,000,000           |
| Denomination of Bonds   | \$5,000                |
| Interest Rates          | 3.75% to 4.10%         |
| Interest Dates          | June 1 and December 1  |
| Principal Maturity Date | December 1             |
| Payable at              | Wells Fargo Bank, N.A. |

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                     |                      | Interest Due on     |            |                     |            |
|---------------------|-----------------|---------------------|---------------------|----------------------|---------------------|------------|---------------------|------------|
|                     |                 | Principal           | Interest            | Total                | June 1              | Amount     | December 1          | Amount     |
| 2014                | 9               | \$ 55,000           | \$ 381,418          | \$ 436,418           | 2015                | \$ 190,709 | 2015                | \$ 190,709 |
| 2015                | 10              | 555,000             | 379,355             | 934,355              | 2016                | 189,678    | 2016                | 189,677    |
| 2016                | 11              | 1,360,000           | 358,265             | 1,718,265            | 2017                | 179,132    | 2017                | 179,133    |
| 2017                | 12              | 1,410,000           | 305,905             | 1,715,905            | 2018                | 152,953    | 2018                | 152,952    |
| 2018                | 13              | 1,465,000           | 250,915             | 1,715,915            | 2019                | 125,457    | 2019                | 125,458    |
| 2019                | 14              | 1,525,000           | 193,048             | 1,718,048            | 2020                | 96,524     | 2020                | 96,524     |
| 2020                | 15              | 1,585,000           | 132,048             | 1,717,048            | 2021                | 66,024     | 2021                | 66,024     |
| 2021                | 16              | 1,655,000           | 67,855              | 1,722,855            | 2022                | 33,928     | 2022                | 33,927     |
|                     |                 | <u>\$ 9,610,000</u> | <u>\$ 2,068,809</u> | <u>\$ 11,678,809</u> | <u>\$ 1,034,405</u> |            | <u>\$ 1,034,404</u> |            |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2009

December 31, 2014

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                     |                      | Interest Due on     |            |                     |            |
|---------------------|-----------------|---------------------|---------------------|----------------------|---------------------|------------|---------------------|------------|
|                     |                 | Principal           | Interest            | Total                | June 1              | Amount     | December 1          | Amount     |
| 2014                | -               | \$ -                | \$ 417,262          | \$ 417,262           | 2015                | \$ 208,631 | 2015                | \$ 208,631 |
| 2015                | -               | -                   | 417,262             | 417,262              | 2016                | 208,631    | 2016                | 208,631    |
| 2016                | -               | -                   | 417,262             | 417,262              | 2017                | 208,631    | 2017                | 208,631    |
| 2017                | -               | -                   | 417,262             | 417,262              | 2018                | 208,631    | 2018                | 208,631    |
| 2018                | -               | -                   | 417,262             | 417,262              | 2019                | 208,631    | 2019                | 208,631    |
| 2019                | -               | -                   | 417,262             | 417,262              | 2020                | 208,631    | 2020                | 208,631    |
| 2020                | -               | -                   | 417,262             | 417,262              | 2021                | 208,631    | 2021                | 208,631    |
| 2021                | -               | -                   | 417,262             | 417,262              | 2022                | 208,631    | 2022                | 208,631    |
| 2022                | 41-247          | 1,035,000           | 417,262             | 1,452,262            | 2023                | 208,631    | 2023                | 208,631    |
| 2023                | 248-559         | 1,560,000           | 375,864             | 1,935,864            | 2024                | 187,932    | 2024                | 187,932    |
| 2024                | 560-889         | 1,650,000           | 313,464             | 1,963,464            | 2025                | 156,732    | 2025                | 156,732    |
| 2025                | 890-1239        | 1,750,000           | 244,164             | 1,994,164            | 2026                | 122,082    | 2026                | 122,082    |
| 2026                | 1240-1609       | 1,850,000           | 168,914             | 2,018,914            | 2027                | 84,457     | 2027                | 84,457     |
| 2027                | 1610-2000       | 1,955,000           | 87,976              | 2,042,976            | 2028                | 43,988     | 2028                | 43,988     |
|                     |                 | <u>\$ 9,800,000</u> | <u>\$ 4,945,740</u> | <u>\$ 14,745,740</u> | <u>\$ 2,472,870</u> |            | <u>\$ 2,472,870</u> |            |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2014

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                   |                     | Interest Due on |                   |            |                   |
|---------------------|-----------------|---------------------|-------------------|---------------------|-----------------|-------------------|------------|-------------------|
|                     |                 | Principal           | Interest          | Total               | June 1          | Amount            | December 1 | Amount            |
| 2014                | 219-279         | \$ 305,000          | \$ 78,350         | \$ 383,350          | 2015            | \$ 39,175         | 2015       | \$ 39,175         |
| 2015                | 280-342         | 315,000             | 70,725            | 385,725             | 2016            | 35,362            | 2016       | 35,363            |
| 2016                | 343-406         | 320,000             | 61,275            | 381,275             | 2017            | 30,637            | 2017       | 30,638            |
| 2017                | 407-472         | 330,000             | 51,675            | 381,675             | 2018            | 25,837            | 2018       | 25,838            |
| 2018                | 473-540         | 340,000             | 40,125            | 380,125             | 2019            | 20,062            | 2019       | 20,063            |
| 2019                | 541-612         | 360,000             | 27,375            | 387,375             | 2020            | 13,687            | 2020       | 13,688            |
| 2020                | 613-686         | 370,000             | 13,875            | 383,875             | 2021            | 6,937             | 2021       | 6,938             |
|                     |                 | <u>\$ 2,340,000</u> | <u>\$ 343,400</u> | <u>\$ 2,683,400</u> |                 | <u>\$ 171,697</u> |            | <u>\$ 171,703</u> |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**  
**LONG-TERM DEBT REQUIREMENTS**  
**TAXABLE GENERAL OBLIGATION BONDS OF 2009C**

December 31, 2014

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                     |                     | Interest Due on   |           |                   |           |
|---------------------|-----------------|---------------------|---------------------|---------------------|-------------------|-----------|-------------------|-----------|
|                     |                 | Principal           | Interest            | Total               | June 1            | Amount    | December 1        | Amount    |
| 2014                | 6-13            | \$ 40,000           | \$ 134,272          | \$ 174,272          | 2015              | \$ 67,136 | 2015              | \$ 67,136 |
| 2015                | 14-24           | 55,000              | 132,933             | 187,933             | 2016              | 66,467    | 2016              | 66,466    |
| 2016                | 25-39           | 75,000              | 130,842             | 205,842             | 2017              | 65,421    | 2017              | 65,421    |
| 2017                | 40-58           | 95,000              | 127,655             | 222,655             | 2018              | 63,828    | 2018              | 63,827    |
| 2018                | 59-82           | 120,000             | 123,380             | 243,380             | 2019              | 61,690    | 2019              | 61,690    |
| 2019                | 83-110          | 140,000             | 118,100             | 258,100             | 2020              | 59,050    | 2020              | 59,050    |
| 2020                | 111-142         | 160,000             | 111,520             | 271,520             | 2021              | 55,760    | 2021              | 55,760    |
| 2021                | 143-242         | 500,000             | 104,000             | 604,000             | 2022              | 52,000    | 2022              | 52,000    |
| 2022                | 243-330         | 440,000             | 79,500              | 519,500             | 2023              | 39,750    | 2023              | 39,750    |
| 2023                | -               | -                   | 57,500              | 57,500              | 2024              | 28,750    | 2024              | 28,750    |
| 2024                | -               | -                   | 57,500              | 57,500              | 2025              | 28,750    | 2025              | 28,750    |
| 2025                | -               | -                   | 57,500              | 57,500              | 2026              | 28,750    | 2026              | 28,750    |
| 2026                | -               | -                   | 57,500              | 57,500              | 2027              | 28,750    | 2027              | 28,750    |
| 2027                | -               | -                   | 57,500              | 57,500              | 2028              | 28,750    | 2028              | 28,750    |
| 2028                | 331-530         | 1,000,000           | 57,500              | 1,057,500           | 2029              | 28,750    | 2029              | 28,750    |
|                     |                 | <u>\$ 2,625,000</u> | <u>\$ 1,407,202</u> | <u>\$ 4,032,202</u> | <u>\$ 703,602</u> |           | <u>\$ 703,600</u> |           |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2011A

December 31, 2014

|                         |                       |
|-------------------------|-----------------------|
| Date of Issue           | July 29, 2011         |
| Date of Maturity        | December 1, 2016      |
| Authorized Issue        | \$4,100,000           |
| Denomination of Bonds   | \$5,000               |
| Interest Rates          | 1.75%                 |
| 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<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                  |                     | Interest Due on |                  |            |                  |
|---------------------|-----------------|---------------------|------------------|---------------------|-----------------|------------------|------------|------------------|
|                     |                 | Principal           | Interest         | Total               | June 1          | Amount           | December 1 | Amount           |
| 2014                | 456-675         | \$ 1,100,000        | \$ 31,938        | \$ 1,131,938        | 2015            | \$ 15,969        | 2015       | \$ 15,969        |
| 2015                | 676-820         | 725,000             | 12,688           | 737,688             | 2016            | 6,344            | 2016       | 6,344            |
|                     |                 | <u>\$ 1,825,000</u> | <u>\$ 44,626</u> | <u>\$ 1,869,626</u> |                 | <u>\$ 22,313</u> |            | <u>\$ 22,313</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2011B

December 31, 2014

|                         |                       |
|-------------------------|-----------------------|
| 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<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                   |                     | Interest Due on |                   |            |                   |
|---------------------|-----------------|---------------------|-------------------|---------------------|-----------------|-------------------|------------|-------------------|
|                     |                 | Principal           | Interest          | Total               | June 1          | Amount            | December 1 | Amount            |
| 2014                | 162-297         | \$ 680,000          | \$ 109,746        | \$ 789,746          | 2015            | \$ 54,873         | 2015       | \$ 54,873         |
| 2015                | 298-436         | 695,000             | 92,610            | 787,610             | 2016            | 46,305            | 2016       | 46,305            |
| 2016                | 437-579         | 715,000             | 75,096            | 790,096             | 2017            | 37,548            | 2017       | 37,548            |
| 2017                | 580-726         | 735,000             | 57,078            | 792,078             | 2018            | 28,539            | 2018       | 28,539            |
| 2018                | 727-877         | 755,000             | 38,556            | 793,556             | 2019            | 19,278            | 2019       | 19,278            |
| 2019                | 878-1032        | 775,000             | 19,530            | 794,530             | 2020            | 9,765             | 2020       | 9,765             |
|                     |                 | <u>\$ 4,355,000</u> | <u>\$ 392,616</u> | <u>\$ 4,747,616</u> |                 | <u>\$ 196,308</u> |            | <u>\$ 196,308</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2012C

December 31, 2014

|                         |                       |
|-------------------------|-----------------------|
| Date of Issue           | January 3, 2012       |
| Date of Maturity        | December 1, 2022      |
| Authorized Issue        | \$2,975,000           |
| Denomination of Bonds   | \$5,000               |
| Interest Rates          | 3.1%                  |
| 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<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                   |                     | Interest Due on |           |                   |                   |
|---------------------|-----------------|---------------------|-------------------|---------------------|-----------------|-----------|-------------------|-------------------|
|                     |                 | Principal           | Interest          | Total               | June 1          | Amount    | December 1        | Amount            |
| 2014                | -               | \$ -                | \$ 54,096         | \$ 54,096           | 2015            | \$ 27,048 | 2015              | \$ 27,048         |
| 2015                | -               | -                   | 54,096            | 54,096              | 2016            | 27,048    | 2016              | 27,048            |
| 2016                | -               | -                   | 54,096            | 54,096              | 2017            | 27,048    | 2017              | 27,048            |
| 2017                | -               | -                   | 54,096            | 54,096              | 2018            | 27,048    | 2018              | 27,048            |
| 2018                | -               | -                   | 54,096            | 54,096              | 2019            | 27,048    | 2019              | 27,048            |
| 2019                | -               | -                   | 54,096            | 54,096              | 2020            | 27,048    | 2020              | 27,048            |
| 2020                | 247-418         | 860,000             | 54,096            | 914,096             | 2021            | 27,048    | 2021              | 27,048            |
| 2021                | 419-595         | 885,000             | 27,436            | 912,436             | 2022            | 13,718    | 2022              | 13,718            |
|                     |                 | <u>\$ 1,745,000</u> | <u>\$ 406,108</u> | <u>\$ 2,151,108</u> |                 |           | <u>\$ 203,054</u> | <u>\$ 203,054</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2013

December 31, 2014

|                         |   |
|-------------------------|---|
| 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<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                     |                      | Interest Due on |                     |        |                     |
|---------------------|-----------------|---------------------|---------------------|----------------------|-----------------|---------------------|--------|---------------------|
|                     |                 | Principal           | Interest            | Total                | June 1          | December 1          | Amount |                     |
| 2014                | -               | \$ -                | \$ 369,956          | \$ 369,956           | 2015            | \$ 184,978          | 2015   | \$ 184,978          |
| 2015                | -               | -                   | 369,956             | 369,956              | 2016            | 184,978             | 2016   | 184,978             |
| 2016                | -               | -                   | 369,956             | 369,956              | 2017            | 184,978             | 2017   | 184,978             |
| 2017                | -               | -                   | 369,956             | 369,956              | 2018            | 184,978             | 2018   | 184,978             |
| 2018                | -               | -                   | 369,956             | 369,956              | 2019            | 184,978             | 2019   | 184,978             |
| 2019                | 1-111           | 555,000             | 369,956             | 924,956              | 2020            | 184,978             | 2020   | 184,978             |
| 2020                | 112-225         | 570,000             | 353,306             | 923,306              | 2021            | 176,653             | 2021   | 176,653             |
| 2021                | 226-342         | 585,000             | 336,206             | 921,206              | 2022            | 168,103             | 2022   | 168,103             |
| 2022                | 343-463         | 605,000             | 318,656             | 923,656              | 2023            | 159,328             | 2023   | 159,328             |
| 2023                | 464-588         | 625,000             | 300,506             | 925,506              | 2024            | 150,253             | 2024   | 150,253             |
| 2024                | 589-718         | 650,000             | 275,506             | 925,506              | 2025            | 137,753             | 2025   | 137,753             |
| 2025                | 719-853         | 675,000             | 249,506             | 924,506              | 2026            | 124,753             | 2026   | 124,753             |
| 2026                | 854-993         | 700,000             | 222,506             | 922,506              | 2027            | 111,253             | 2027   | 111,253             |
| 2027                | 994-1139        | 730,000             | 194,506             | 924,506              | 2028            | 97,253              | 2028   | 97,253              |
| 2028                | 1140-1291       | 760,000             | 165,307             | 925,307              | 2029            | 82,653              | 2029   | 82,654              |
| 2029                | 1292-1449       | 790,000             | 134,907             | 924,907              | 2030            | 67,453              | 2030   | 67,454              |
| 2030                | 1450-1613       | 820,000             | 103,307             | 923,307              | 2031            | 51,653              | 2031   | 51,654              |
| 2031                | 1614-1783       | 850,000             | 70,507              | 920,507              | 2032            | 35,253              | 2032   | 35,254              |
| 2032                | 1784-1960       | 885,000             | 36,507              | 921,507              | 2033            | 18,253              | 2033   | 18,254              |
|                     |                 | <u>\$ 9,800,000</u> | <u>\$ 4,980,969</u> | <u>\$ 14,780,969</u> |                 | <u>\$ 2,490,482</u> |        | <u>\$ 2,490,487</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2014

December 31, 2014

|                         |   |
|-------------------------|---|
| 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<br>Levy<br>Year | Bond<br>Numbers | Requirements        |                     |                     | Interest Due on |                   |            |                   |
|---------------------|-----------------|---------------------|---------------------|---------------------|-----------------|-------------------|------------|-------------------|
|                     |                 | Principal           | Interest            | Total               | June 1          | Amount            | December 1 | Amount            |
| 2014                | 64-121          | \$ 290,000          | \$ 179,250          | \$ 469,250          | 2015            | \$ 89,625         | 2015       | \$ 89,625         |
| 2015                | 122-181         | 300,000             | 170,550             | 470,550             | 2016            | 85,275            | 2016       | 85,275            |
| 2016                | 182-242         | 305,000             | 161,550             | 466,550             | 2017            | 80,775            | 2017       | 80,775            |
| 2017                | 243-323         | 405,000             | 152,400             | 557,400             | 2018            | 76,200            | 2018       | 76,200            |
| 2018                | 324-435         | 560,000             | 140,250             | 700,250             | 2019            | 70,125            | 2019       | 70,125            |
| 2019                | 436-587         | 760,000             | 123,450             | 883,450             | 2020            | 61,725            | 2020       | 61,725            |
| 2020                | 588-780         | 965,000             | 100,650             | 1,065,650           | 2021            | 50,325            | 2021       | 50,325            |
| 2021                | 781-1005        | 1,125,000           | 71,700              | 1,196,700           | 2022            | 35,850            | 2022       | 35,850            |
| 2022                | 1006-1258       | 1,265,000           | 37,950              | 1,302,950           | 2023            | 18,975            | 2023       | 18,975            |
|                     |                 | <u>\$ 5,975,000</u> | <u>\$ 1,137,750</u> | <u>\$ 7,112,750</u> |                 | <u>\$ 568,875</u> |            | <u>\$ 568,875</u> |

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
IEPA FLOOD LOAN (L17-0855) CONTRACT PAYABLE OF 1997**

December 31, 2014

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|                         |  |
|-------------------------|--|
| Date of Issue           | November 1, 1997                         |
| Date of Maturity        | November 1, 2017                         |
| Authorized Issue        | \$1,203,550                              |
| Interest Rates          | 2.89%                                    |
| Interest Dates          | May 1 and November 1                     |
| Principal Maturity Date | May 1 and November 1                     |
| Payable at              | Illinois Environmental Protection Agency |

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

| <b>Tax<br/>Levy<br/>Year</b> | <b>Payment<br/>Numbers</b> | <b>Requirements</b> |                  |                   |
|------------------------------|----------------------------|---------------------|------------------|-------------------|
|                              |                            | <b>Principal</b>    | <b>Interest</b>  | <b>Total</b>      |
| 2015                         | 35-36                      | \$ 74,628           | \$ 6,124         | \$ 80,752         |
| 2016                         | 37-38                      | 76,800              | 3,952            | 80,752            |
| 2017                         | 39-40                      | 79,035              | 1,717            | 80,752            |
|                              |                            | <u>\$ 230,463</u>   | <u>\$ 11,793</u> | <u>\$ 242,256</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, 2014

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|                         |  |
|-------------------------|--|
| 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**

| <b>Tax<br/>Levy<br/>Year</b> | <b>Payment<br/>Numbers</b> | <b>Requirements</b> |                  |                   |
|------------------------------|----------------------------|---------------------|------------------|-------------------|
|                              |                            | <b>Principal</b>    | <b>Interest</b>  | <b>Total</b>      |
| 2015                         | 31-32                      | \$ 104,285          | \$ 12,221        | \$ 116,506        |
| 2016                         | 33-34                      | 107,040             | 9,466            | 116,506           |
| 2017                         | 35-36                      | 109,868             | 6,638            | 116,506           |
| 2018                         | 37-38                      | 112,771             | 3,735            | 116,506           |
| 2019                         | 39                         | 57,500              | 754              | 58,254            |
|                              |                            | <u>\$ 491,464</u>   | <u>\$ 32,814</u> | <u>\$ 524,278</u> |

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
INSTALLMENT NOTE PAYABLE OF 2012

December 31, 2014

|                         |                           |
|-------------------------|---------------------------|
| 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**

| Tax<br>Levy<br>Year | Payment<br>Numbers | Requirements        |                  |                     | Interest Due on |                  |            |                  |
|---------------------|--------------------|---------------------|------------------|---------------------|-----------------|------------------|------------|------------------|
|                     |                    | Principal           | Interest         | Total               | June 1          | Amount           | December 1 | Amount           |
| 2015                | 5-6                | \$ 400,000          | \$ 21,294        | \$ 421,294          | 2015            | \$ 10,647        | 2015       | \$ 10,647        |
| 2016                | 7-8                | 415,000             | 17,654           | 432,654             | 2016            | 8,827            | 2016       | 8,827            |
| 2017                | 9-10               | 420,000             | 13,878           | 433,878             | 2017            | 6,939            | 2017       | 6,939            |
| 2018                | 11-12              | 515,000             | 10,056           | 525,056             | 2018            | 5,028            | 2018       | 5,028            |
| 2019                | 13-14              | 590,000             | 5,369            | 595,369             | 2019            | 2,684            | 2019       | 2,685            |
|                     |                    | <u>\$ 2,340,000</u> | <u>\$ 68,251</u> | <u>\$ 2,408,251</u> |                 | <u>\$ 34,125</u> |            | <u>\$ 34,126</u> |

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2014

| Type of Coverage                                   | Self-Insured Retention | Specific Excess Limit | Aggregate Excess Limit | Insurance Carrier                              | Expiration Date of Policy |
|--|------------------------|-----------------------|------------------------|--|---------------------------|
| Property, Building, and Contents                   | \$ 25,000              | \$ 95,206,056         | None                   | Federal Insurance Co./Chubb                    | 01/01/15                  |
| Excess Workers' Compensation                       | 600,000                | Statutory             | \$ 1,000,000           | Safety National Insurance Co.                  | 01/01/15                  |
| General Liability                                  | 2,000,000              | None                  | None                   | Self-Insured                                   | N/A                       |
| Automobile Liability                               | 2,000,000              | None                  | None                   | Self-Insured                                   | N/A                       |
| Employment Practices Liability                     | 2,000,000              | None                  | None                   | Self-Insured                                   | N/A                       |
| Police Professional Liability                      | 2,000,000              | None                  | None                   | Self-Insured                                   | N/A                       |
| Public Officials' Liability (Errors and Omissions) | 2,000,000              | None                  | None                   | Self-Insured                                   | N/A                       |
| Fiduciary Liability - Police Pension               | 25,000                 | 5,000,000             | 5,000,000              | Federal Insurance Co./Chubb                    | 08/01/15                  |
| Fiduciary Liability - Firefighters' Pension        | 25,000                 | 5,000,000             | 5,000,000              | Federal Insurance Co./Chubb                    | 08/01/15                  |
| Excess Liability                                   | 2,000,000              | 13,000,000            | 13,000,000             | High-Level Excess Liability Pool               | 04/30/18                  |
| Public Employee Dishonesty                         | 5,000                  | 500,000               | None                   | Travelers                                      | 05/01/15                  |
| Depositors Forgery                                 | 5,000                  | 100,000               | None                   | Travelers                                      | 05/01/15                  |
| Public Officials Bond - President                  | -                      | 100,000               | 100,000                | Liberty Mutual                                 | 05/01/15                  |
| Public Officials Bond - Manager                    | -                      | 100,000               | 100,000                | Liberty Mutual                                 | 05/01/15                  |
| Public Officials Bond - Village Treasurer          | -                      | 250,000               | 250,000                | Liberty Mutual                                 | 05/01/15                  |
| Contingent Tax Interruption                        | 25,000                 | 4,000,000             | 4,000,000              | Federal Insurance Co./Chubb                    | 01/01/15                  |
| Employee and Retiree Health Insurance              | 30,000/75,000          | None                  | None                   | Intergovernmental Personal Benefit Cooperative | 06/30/15                  |
| Third Party Administrators                         |                        |                       |                        |  |                           |
| Workers' Compensation Claims Administration        | N/A                    | N/A                   | N/A                    | Alternative Services Concept                   | N/A                       |
| Liability Claims Administration                    | N/A                    | N/A                   | N/A                    | Gallagher Bassett                              | N/A                       |

(See independent auditor's report.)

# STATISTICAL

## 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</u> |
|--|-------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.  | 175-184     |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.  | 185-193     |
| <b>Debt Capacity</b><br>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.                            | 194-197     |
| <b>Demographic and Economic Information</b><br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.                                       | 198-199     |
| <b>Operating Information</b><br>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. | 200-204     |

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

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

| <b>Fiscal Year</b>                    | <b>2005</b>          | <b>2006</b>          | <b>2007</b>          |
|---------------------------------------|----------------------|----------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>        |                      |                      |                      |
| Net investment in capital assets      | \$ 23,851,038        | \$ 24,671,547        | \$ 26,114,472        |
| Restricted                            | 4,828,517            | 4,197,018            | 3,178,963            |
| Unrestricted                          | 13,689,604           | 18,553,994           | 23,151,760           |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>  | <b>\$ 42,369,159</b> | <b>\$ 47,422,559</b> | <b>\$ 52,445,195</b> |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                      |                      |                      |
| Net investment in capital assets      | \$ 17,846,548        | \$ 18,321,345        | \$ 19,437,672        |
| Unrestricted                          | 5,808,766            | 6,172,718            | 6,833,310            |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES</b> | <b>\$ 23,655,314</b> | <b>\$ 24,494,063</b> | <b>\$ 26,270,982</b> |
| <b>PRIMARY GOVERNMENT</b>             |                      |                      |                      |
| Net investment in capital assets      | \$ 41,697,586        | \$ 42,992,892        | \$ 45,552,144        |
| Restricted                            | 4,828,517            | 4,197,018            | 3,178,963            |
| Unrestricted                          | 19,498,370           | 24,726,712           | 29,985,070           |
| <b>TOTAL PRIMARY GOVERNMENT</b>       | <b>\$ 66,024,473</b> | <b>\$ 71,916,622</b> | <b>\$ 78,716,177</b> |

\* The unrestricted net position decreased in 2014 due to the recognition of the Business District limited tax note payable.

Data Source

Audited Financial Statements

| <b>2008</b>          | <b>2009</b>          | <b>2010</b>          | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           | <b>2014</b>          |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| \$ 29,663,909        | \$ 27,741,453        | \$ 30,020,260        | \$ 53,524,378         | \$ 48,521,357         | \$ 48,152,760         | \$ 46,326,047        |
| 2,367,670            | 4,497,173            | 4,891,298            | 2,828,903             | 3,547,328             | 3,045,922             | 4,186,505            |
| 21,216,625           | 20,277,880           | 18,296,001           | 20,019,184            | 24,952,139            | 24,153,907            | (10,441,020)         |
| <b>\$ 53,248,204</b> | <b>\$ 52,516,506</b> | <b>\$ 53,207,559</b> | <b>\$ 76,372,465</b>  | <b>\$ 77,020,824</b>  | <b>\$ 75,352,589</b>  | <b>\$ 40,071,532</b> |
| \$ 20,776,324        | \$ 22,412,134        | \$ 23,044,064        | \$ 26,892,474         | \$ 26,566,375         | \$ 26,352,289         | \$ 26,854,967        |
| 6,852,644            | 5,996,007            | 5,927,430            | 5,167,986             | 6,820,901             | 8,057,996             | 7,734,851            |
| <b>\$ 27,628,968</b> | <b>\$ 28,408,141</b> | <b>\$ 28,971,494</b> | <b>\$ 32,060,460</b>  | <b>\$ 33,387,276</b>  | <b>\$ 34,410,285</b>  | <b>\$ 34,589,818</b> |
| \$ 50,440,233        | \$ 50,153,587        | \$ 53,064,324        | \$ 80,416,852         | \$ 75,087,732         | \$ 74,505,049         | \$ 73,181,014        |
| 2,367,670            | 4,497,173            | 4,891,298            | 2,828,903             | 3,547,328             | 3,045,922             | 4,186,505            |
| 28,069,269           | 26,273,887           | 24,223,431           | 25,187,170            | 31,773,040            | 32,211,903            | (2,706,169)          |
| <b>\$ 80,877,172</b> | <b>\$ 80,924,647</b> | <b>\$ 82,179,053</b> | <b>\$ 108,432,925</b> | <b>\$ 110,408,100</b> | <b>\$ 109,762,874</b> | <b>\$ 74,661,350</b> |

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

| <b>Fiscal Year</b>                                    | <b>2005</b>            | <b>2006</b>            | <b>2007</b>            |
|---|------------------------|------------------------|------------------------|
| <b>EXPENSES</b>                                       |                        |                        |                        |
| Governmental Activities                               |                        |                        |                        |
| General government                                    | \$ 3,090,918           | \$ 5,110,605           | \$ 5,777,024           |
| Public safety   | 21,660,877             | 23,336,436             | 24,565,640             |
| Highways and streets                                  | 9,364,421              | 10,888,397             | 11,512,271             |
| Health  | 3,642,891              | 3,863,140              | 4,085,316              |
| Welfare   | 1,465,197              | 1,344,516              | 1,759,776              |
| Culture and recreation                                | 237,024                | 272,826                | 221,806                |
| Interest  | 1,350,049              | 1,360,081              | 728,640                |
| Total governmental activities expenses                | 40,811,377             | 46,176,001             | 48,650,473             |
| Business-Type Activities                              |                        |                        |                        |
| Water and sewer                                       | 8,954,899              | 9,200,271              | 8,839,710              |
| Commuter parking                                      | 369,825                | 409,041                | 259,434                |
| Total business-type activities expenses               | 9,324,724              | 9,609,312              | 9,099,144              |
| <b>TOTAL PRIMARY GOVERNMENTAL EXPENSES</b>            | <b>\$ 50,136,101</b>   | <b>\$ 55,785,313</b>   | <b>\$ 57,749,617</b>   |
| <b>PROGRAM REVENUES</b>                               |                        |                        |                        |
| Governmental Activities                               |                        |                        |                        |
| Charges for services                                  |                        |                        |                        |
| General government                                    | \$ 3,626,936           | \$ 4,750,937           | \$ 5,057,855           |
| Public safety   | 2,029,632              | 2,096,875              | 2,658,824              |
| Highway and streets                                   | 135,151                | 176,019                | 231,468                |
| Other activities                                      | 280,083                | 288,914                | 305,467                |
| Operating grants and contributions                    | 556,072                | 513,703                | 594,223                |
| Capital grants and contributions                      | 1,894,095              | 2,106,688              | 2,812,836              |
| Total governmental activities program revenues        | 8,521,969              | 9,933,136              | 11,660,673             |
| Business-Type Activities                              |                        |                        |                        |
| Charges for services                                  |                        |                        |                        |
| Water and sewer                                       | 7,400,759              | 8,506,767              | 8,888,249              |
| Commuter parking                                      | 205,215                | 207,085                | 210,036                |
| Operating grants and contributions                    | -                      | -                      | -                      |
| Capital grants and contributions                      | -                      | -                      | -                      |
| Total business-type activities program revenues       | 7,605,974              | 8,713,852              | 9,098,285              |
| <b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>      | <b>\$ 16,127,943</b>   | <b>\$ 18,646,988</b>   | <b>\$ 20,758,958</b>   |
| <b>NET (EXPENSE) REVENUE</b>                          |                        |                        |                        |
| Governmental activities                               | \$ (32,289,408)        | \$ (36,242,865)        | \$ (36,989,800)        |
| Business-type activities                              | (1,718,750)            | (895,460)              | (859)                  |
| <b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b> | <b>\$ (34,008,158)</b> | <b>\$ (37,138,325)</b> | <b>\$ (36,990,659)</b> |



| 2008            | 2009            | 2010            | 2011            | 2012            | 2013            | 2014            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 6,682,541    | \$ 7,192,572    | \$ 6,541,405    | \$ 6,992,107    | \$ 6,233,324    | \$ 7,356,433    | \$ 10,171,883   |
| 26,646,855      | 27,172,360      | 27,303,165      | 27,276,948      | 28,134,173      | 29,771,502      | 30,812,251      |
| 13,540,232      | 12,101,419      | 12,924,872      | 18,141,803      | 15,853,017      | 18,570,593      | 19,923,120      |
| 4,163,354       | 4,194,045       | 4,133,883       | 4,289,103       | 4,407,533       | 4,459,897       | 4,591,946       |
| 1,744,504       | 2,316,995       | 2,039,805       | 1,902,841       | 1,909,062       | 1,868,952       | 1,844,911       |
| 409,066         | 367,635         | 322,553         | 353,308         | 406,606         | 443,171         | 425,217         |
| 837,127         | 1,047,961       | 1,146,789       | 1,329,499       | 1,033,923       | 1,016,337       | 2,899,466       |
| 54,023,679      | 54,392,987      | 54,412,472      | 60,285,609      | 57,977,638      | 63,486,885      | 70,668,794      |
| 9,179,399       | 9,393,148       | 9,950,591       | 10,444,247      | 11,129,942      | 12,078,221      | 13,779,500      |
| 263,394         | 233,701         | 284,607         | 327,224         | 345,715         | 346,303         | 329,988         |
| 9,442,793       | 9,626,849       | 10,235,198      | 10,771,471      | 11,475,657      | 12,424,524      | 14,109,488      |
| \$ 63,466,472   | \$ 64,019,836   | \$ 64,647,670   | \$ 71,057,080   | \$ 69,453,295   | \$ 75,911,409   | \$ 84,778,282   |
| \$ 5,045,338    | \$ 6,705,200    | \$ 6,271,966    | \$ 6,343,828    | \$ 7,068,010    | \$ 6,908,188    | \$ 7,785,745    |
| 2,242,952       | 1,580,052       | 1,486,144       | 1,545,333       | 1,412,279       | 1,583,328       | 1,712,860       |
| 169,615         | 237,786         | 135,641         | 108,865         | 126,660         | 269,066         | 414,316         |
| 320,488         | 65,933          | 70,964          | 32,040          | 39,163          | 41,220          | 515,095         |
| 1,800,781       | 2,551,348       | 2,338,965       | 2,749,168       | 1,974,867       | 2,356,665       | 2,209,036       |
| 764,283         | 406,734         | 443,278         | 65,905          | 72,175          | 288,752         | 140,181         |
| 10,343,457      | 11,547,053      | 10,746,958      | 10,845,139      | 10,693,154      | 11,447,219      | 12,777,233      |
| 8,774,681       | 8,500,396       | 8,916,621       | 9,081,731       | 10,990,923      | 11,507,264      | 11,970,681      |
| 269,400         | 218,735         | 210,324         | 219,040         | 225,214         | 234,458         | 254,784         |
| -               | -               | -               | -               | -               | -               | -               |
| -               | -               | -               | -               | -               | -               | 373,498         |
| 9,044,081       | 8,719,131       | 9,126,945       | 9,300,771       | 11,216,137      | 11,741,722      | 12,598,963      |
| \$ 19,387,538   | \$ 20,266,184   | \$ 19,873,903   | \$ 20,145,910   | \$ 21,909,291   | \$ 23,188,941   | \$ 25,376,196   |
| \$ (43,680,222) | \$ (42,845,934) | \$ (43,665,514) | \$ (49,440,470) | \$ (47,284,484) | \$ (52,039,666) | \$ (57,891,561) |
| (398,712)       | (907,718)       | (1,108,253)     | (1,470,700)     | (259,520)       | (682,802)       | (1,510,525)     |
| \$ (44,078,934) | \$ (43,753,652) | \$ (44,773,767) | \$ (50,911,170) | \$ (47,544,004) | \$ (52,722,468) | \$ (59,402,086) |

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

| <b>Fiscal Year</b>  | <b>2005</b>          | <b>2006</b>          | <b>2007</b>          |
|---|----------------------|----------------------|----------------------|
| <b>GENERAL REVENUES AND OTHER CHANGES<br/>IN NET POSITION</b> |                      |                      |                      |
| Governmental Activities                                       |                      |                      |                      |
| Taxes   |                      |                      |                      |
| Property  | \$ 13,775,669        | \$ 15,183,214        | \$ 15,817,195        |
| Utility   | -                    | -                    | -                    |
| Business district   | -                    | -                    | -                    |
| Home rule sales   | 11,871,553           | 12,720,614           | 12,773,695           |
| Telecommunications  | 2,802,467            | 2,471,590            | 2,741,121            |
| Other   | 9,509,376            | 9,537,327            | 9,712,568            |
| Intergovernmental   |                      |                      |                      |
| State sales and use   | -                    | -                    | -                    |
| Income taxes  | -                    | -                    | -                    |
| Replacement taxes   | -                    | -                    | -                    |
| Charitable games tax  | -                    | -                    | -                    |
| Investment income   | 433,605              | 908,782              | 924,989              |
| Miscellaneous   | 126,411              | 101,242              | 42,868               |
| Transfers   | -                    | 10,433               | -                    |
| Contributions   | -                    | -                    | -                    |
| Total governmental activities                                 | 38,519,081           | 40,933,202           | 42,012,436           |
| Business-Type Activities                                      |                      |                      |                      |
| Property tax  | 1,533,910            | 1,527,407            | 1,504,501            |
| Home rule sales tax   | -                    | -                    | -                    |
| Investment income   | 107,068              | 217,235              | 262,430              |
| Miscellaneous   | -                    | -                    | -                    |
| Transfers   | -                    | (10,433)             | -                    |
| Total business-type activities                                | 1,640,978            | 1,734,209            | 1,766,931            |
| <b>TOTAL PRIMARY GOVERNMENT</b>                               | <b>\$ 40,160,059</b> | <b>\$ 42,667,411</b> | <b>\$ 43,779,367</b> |
| <b>CHANGE IN NET POSITION</b>                                 |                      |                      |                      |
| Governmental activities                                       | \$ 6,229,673         | \$ 4,690,337         | \$ 5,022,636         |
| Business-type activities                                      | (77,772)             | 838,749              | 1,766,072            |
| <b>TOTAL PRIMARY GOVERNMENT<br/>CHANGE IN NET POSITION</b>    | <b>\$ 6,151,901</b>  | <b>\$ 5,529,086</b>  | <b>\$ 6,788,708</b>  |

Data Source

Audited Financial Statements

|    | 2008       | 2009          | 2010          | 2011           | 2012          | 2013           | 2014           |
|----|------------|---------------|---------------|----------------|---------------|----------------|----------------|
| \$ | 15,942,106 | \$ 16,543,215 | \$ 17,165,849 | \$ 17,942,394  | \$ 18,385,422 | \$ 18,890,542  | \$ 19,745,699  |
|    | -          | 4,519,175     | 4,589,221     | 4,624,678      | 4,658,265     | 3,891,713      | 4,093,596      |
|    | -          | -             | -             | -              | 283,706       | 317,527        | 331,933        |
|    | 14,862,634 | 4,061,202     | 4,392,753     | 4,673,134      | 4,750,232     | 5,035,998      | 5,320,795      |
|    | 2,770,473  | -             | -             | -              | -             | -              | -              |
|    | 10,346,444 | 1,524,823     | 1,598,056     | 1,976,997      | 2,408,064     | 2,952,665      | 3,421,604      |
|    | -          | 9,761,726     | 11,110,707    | 11,411,781     | 11,877,115    | 13,254,358     | 14,310,773     |
|    | -          | 4,573,162     | 4,428,176     | 4,328,196      | 4,759,513     | 5,161,051      | 5,186,155      |
|    | -          | 338,134       | 362,532       | 357,596        | 358,286       | 396,999        | 407,764        |
|    | -          | -             | -             | 3,986          | 4,090         | 4,090          | 4,812          |
|    | 416,673    | 187,793       | 67,001        | 29,043         | 42,452        | 29,785         | (46,496)       |
|    | 93,781     | 605,006       | 633,902       | 235,167        | 278,293       | 436,703        | 47,636         |
|    | -          | -             | 8,370         | -              | -             | -              | -              |
|    | 51,120     | -             | -             | -              | -             | -              | -              |
|    | 44,483,231 | 42,114,236    | 44,356,567    | 45,582,972     | 47,805,438    | 50,371,431     | 52,824,271     |
|    | 1,505,394  | 1,520,602     | 1,513,114     | 1,526,828      | 1,515,605     | 1,507,661      | 1,508,704      |
|    | 92,154     | 82,882        | 89,942        | 107,576        | 99,795        | 104,050        | 100,697        |
|    | 159,150    | 26,646        | 1,653         | 836            | 517           | 3,387          | 3,189          |
|    | -          | 56,761        | 75,267        | 73,858         | (29,581)      | 90,713         | 77,468         |
|    | -          | -             | (8,370)       | -              | -             | -              | -              |
|    | 1,756,698  | 1,686,891     | 1,671,606     | 1,709,098      | 1,586,336     | 1,705,811      | 1,690,058      |
| \$ | 46,239,929 | \$ 43,801,127 | \$ 46,028,173 | \$ 47,292,070  | \$ 49,391,774 | \$ 52,077,242  | \$ 54,514,329  |
| \$ | 803,009    | \$ (731,698)  | \$ 691,053    | \$ (3,857,498) | \$ 520,954    | \$ (1,668,235) | \$ (5,067,290) |
|    | 1,357,986  | 779,173       | 563,353       | 238,398        | 1,326,816     | 1,023,009      | 179,533        |
| \$ | 2,160,995  | \$ 47,475     | \$ 1,254,406  | \$ (3,619,100) | \$ 1,847,770  | \$ (645,226)   | \$ (4,887,757) |

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                        | <b>2005</b>          | <b>2006</b>          | <b>2007</b>          |
|---|----------------------|----------------------|----------------------|
| <b>GENERAL FUND</b>                       |                      |                      |                      |
| Reserved                                  | \$ 312,499           | \$ 73,529            | \$ 40,910            |
| Unreserved                                | 10,203,878           | 11,733,539           | 12,774,003           |
| Nonspendable                              | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | -                    |
| <b>TOTAL GENERAL FUND</b>                 | <b>\$ 10,516,377</b> | <b>\$ 11,807,068</b> | <b>\$ 12,814,913</b> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b>       |                      |                      |                      |
| Reserved                                  | \$ 4,958,811         | \$ 4,333,108         | \$ 3,329,107         |
| Unreserved, reported in                   |                      |                      |                      |
| Special Revenue Funds                     | 1,556,490            | 1,844,687            | 2,028,077            |
| Debt Service Funds                        | -                    | -                    | -                    |
| Capital Project Funds                     | 161,614              | 1,447,070            | 2,315,134            |
| Nonspendable                              | -                    | -                    | -                    |
| Restricted                                | -                    | -                    | -                    |
| Assigned                                  | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | -                    |
| <b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b> | <b>\$ 6,676,915</b>  | <b>\$ 7,624,865</b>  | <b>\$ 7,672,318</b>  |

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

Data Source

Audited Financial Statements

| <b>2008</b>          | <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 228,750           | \$ 88,492            | \$ 53,536            | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 12,312,075           | 10,110,989           | 10,364,455           | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | 100,590              | 98,150               | 297,762              | 337,165              |
| -                    | -                    | -                    | 10,704,282           | 11,466,179           | 11,580,820           | 12,508,457           |
| <b>\$ 12,540,825</b> | <b>\$ 10,199,481</b> | <b>\$ 10,417,991</b> | <b>\$ 10,804,872</b> | <b>\$ 11,564,329</b> | <b>\$ 11,878,582</b> | <b>\$ 12,845,622</b> |
| \$ 2,523,221         | \$ 4,762,560         | \$ 2,188,376         | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| 2,043,378            | 1,674,387            | 2,148,898            | -                    | -                    | -                    | -                    |
| (908,466)            | (485,274)            | (78,844)             | -                    | -                    | -                    | -                    |
| 303,492              | 1,965,761            | 2,459,761            | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | 147,130              | 144,114              | 132,464              | 147,412              |
| -                    | -                    | -                    | 2,828,903            | 3,625,715            | 3,166,583            | 13,941,797           |
| -                    | -                    | -                    | 3,564,914            | 7,525,930            | 15,705,506           | 7,371,630            |
| -                    | -                    | -                    | (5,578)              | (664)                | (689)                | (789)                |
| <b>\$ 3,961,625</b>  | <b>\$ 7,917,434</b>  | <b>\$ 6,718,191</b>  | <b>\$ 6,535,369</b>  | <b>\$ 11,295,095</b> | <b>\$ 19,003,864</b> | <b>\$ 21,460,050</b> |

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

| <b>Fiscal Year</b>   | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         |
|--|---------------------|---------------------|---------------------|
| <b>REVENUES</b>  |                     |                     |                     |
| Taxes  | \$ 24,897,774       | \$ 25,829,233       | \$ 26,460,490       |
| Licenses, permits, and fees  | 3,135,996           | 3,216,982           | 3,445,370           |
| Intergovernmental  | 15,459,395          | 16,664,264          | 17,783,855          |
| Charges for services   | 1,710,556           | 3,226,074           | 3,780,453           |
| Fines and forfeits   | 581,439             | 521,473             | 720,673             |
| Investment income  | 433,605             | 908,782             | 924,989             |
| Miscellaneous  | 822,285             | 489,097             | 557,279             |
| <b>Total revenues</b>  | <b>47,041,050</b>   | <b>50,855,905</b>   | <b>53,673,109</b>   |
| <b>EXPENDITURES</b>  |                     |                     |                     |
| General government   | 4,463,740           | 4,901,739           | 5,298,202           |
| Public safety  | 21,677,185          | 23,205,517          | 24,767,992          |
| Highways and streets   | 7,265,128           | 7,555,575           | 9,204,868           |
| Health   | 3,650,121           | 3,873,480           | 4,102,547           |
| Welfare  | 1,482,943           | 1,366,367           | 1,786,121           |
| Culture and recreation   | 284,229             | 333,148             | 281,737             |
| Capital outlay   | 2,040,534           | 3,470,144           | 2,437,381           |
| Debt service   |                     |                     |                     |
| Principal retirement   | 3,205,838           | 2,605,399           | 3,529,734           |
| Interest and fiscal charges  | 1,318,154           | 1,264,364           | 1,044,123           |
| <b>Total expenditures</b>  | <b>45,387,872</b>   | <b>48,575,733</b>   | <b>52,452,705</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>       | <b>1,653,178</b>    | <b>2,280,172</b>    | <b>1,220,404</b>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                              |                     |                     |                     |
| Bonds issued   | -                   | -                   | -                   |
| Premium on bonds issued  | -                   | -                   | -                   |
| Payment to escrow agent  | -                   | -                   | -                   |
| Transfers in   | 989,519             | 1,344,953           | 105                 |
| Transfers (out)  | (989,519)           | (1,386,484)         | (165,211)           |
| Sale of capital assets   | 2,168,051           | -                   | -                   |
| <b>Total other financing sources (uses)</b>                        | <b>2,168,051</b>    | <b>(41,531)</b>     | <b>(165,106)</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                                 | <b>\$ 3,821,229</b> | <b>\$ 2,238,641</b> | <b>\$ 1,055,298</b> |
| <b>DEBT SERVICE AS A PERCENTAGE<br/>OF NONCAPITAL EXPENDITURES</b> | <b>10.08%</b>       | <b>8.07%</b>        | <b>8.78%</b>        |

Data Source

Audited Financial Statements

|    | 2008        | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          |
|----|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 27,287,056  | \$ 26,648,415 | \$ 27,740,802 | \$ 29,217,203 | \$ 30,485,689 | \$ 31,088,445 | \$ 32,564,624 |
|    | 3,094,828   | 3,748,456     | 3,394,211     | 3,356,816     | 3,657,586     | 3,589,368     | 3,516,082     |
|    | 19,104,781  | 17,274,500    | 18,719,087    | 18,895,261    | 18,862,827    | 21,103,909    | 23,914,974    |
|    | 3,618,419   | 3,832,341     | 3,789,976     | 3,974,677     | 4,417,110     | 4,408,987     | 5,220,730     |
|    | 720,351     | 529,655       | 556,178       | 548,993       | 403,036       | 430,960       | 587,966       |
|    | 416,673     | 137,142       | 55,457        | 23,103        | 36,491        | 16,751        | (46,495)      |
|    | 533,460     | 834,738       | 781,149       | 406,118       | 629,892       | 1,167,196     | 983,623       |
|    | 54,775,568  | 53,005,247    | 55,036,860    | 56,422,171    | 58,492,631    | 61,805,616    | 66,741,504    |
|    | 5,725,191   | 5,796,151     | 5,240,716     | 5,284,168     | 5,827,275     | 7,452,147     | 7,050,018     |
|    | 25,906,274  | 26,384,953    | 26,935,085    | 26,992,535    | 28,022,943    | 29,233,562    | 30,706,685    |
|    | 9,168,071   | 8,291,493     | 7,450,823     | 7,681,534     | 7,734,185     | 9,094,846     | 8,291,698     |
|    | 4,156,319   | 4,188,172     | 4,128,010     | 4,286,754     | 4,405,184     | 4,457,548     | 4,590,027     |
|    | 1,736,791   | 2,316,995     | 2,039,805     | 1,902,841     | 1,909,062     | 1,868,952     | 1,865,265     |
|    | 381,892     | 358,207       | 313,125       | 346,068       | 399,366       | 435,931       | 421,517       |
|    | 6,623,970   | 14,296,659    | 7,739,590     | 7,274,213     | 4,761,739     | 8,588,414     | 12,075,460    |
|    | 4,149,735   | 1,425,219     | 1,046,203     | 1,377,700     | 1,479,732     | 1,537,312     | 2,987,587     |
|    | 891,181     | 1,023,907     | 1,124,236     | 1,057,464     | 959,812       | 913,882       | 1,914,718     |
|    | 58,739,424  | 64,081,756    | 56,017,593    | 56,203,277    | 55,499,298    | 63,582,594    | 69,902,975    |
|    | (3,963,856) | (11,076,509)  | (980,733)     | 218,894       | 2,993,333     | (1,776,978)   | (3,161,471)   |
|    | -           | 16,080,000    | -             | 5,160,000     | 5,475,000     | 9,800,000     | 6,290,000     |
|    | -           | 124,535       | -             | -             | -             | -             | 294,697       |
|    | -           | (3,513,925)   | -             | (5,139,582)   | (2,949,150)   | -             | -             |
|    | 809,422     | 635,100       | 450,000       | 80,089        | -             | 239,977       | -             |
|    | (833,242)   | (635,100)     | (450,000)     | (115,342)     | -             | (239,977)     | -             |
|    | 2,895       | 364           | -             | -             | -             | -             | -             |
|    | (20,925)    | 12,690,974    | -             | (14,835)      | 2,525,850     | 9,800,000     | 6,584,697     |
| \$ | (3,984,781) | \$ 1,614,465  | \$ (980,733)  | \$ 204,059    | \$ 5,519,183  | \$ 8,023,022  | \$ 3,423,226  |
|    | 9.00%       | 4.55%         | 4.12%         | 4.35%         | 4.40%         | 4.01%         | 7.02%         |

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

| <b>Levy Year</b> | <b>Residential Property</b> | <b>Commercial Property</b> | <b>Industrial Property</b> | <b>Railroad Property</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Taxable Value</b> | <b>Estimated Actual Taxable Value as a Percentage of Actual Value</b> |
|------------------|-----------------------------|----------------------------|----------------------------|--------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 2004             | \$ 940,125,430              | \$ 374,813,387             | \$ 175,903,709             | \$ 334,619               | \$ 1,491,177,145                    | 0.801                        | \$ 4,473,531,435                      | 33.333%   |
| 2005             | 1,016,362,276               | 381,718,354                | 196,556,462                | 338,630                  | 1,594,975,722                       | 0.827                        | 4,784,927,166                         | 33.333%   |
| 2006             | 1,048,895,640               | 357,812,772                | 190,150,899                | 450,150                  | 1,597,309,461                       | 0.846                        | 4,791,928,383                         | 33.333%   |
| 2007             | 1,227,488,556               | 412,588,412                | 229,739,726                | 508,622                  | 1,870,325,316                       | 0.750                        | 5,610,975,948                         | 33.333%   |
| 2008             | 1,343,275,031               | 414,537,434                | 221,110,772                | 572,793                  | 1,979,496,030                       | 0.732                        | 5,938,488,090                         | 33.333%   |
| 2009             | 1,452,220,540               | 387,256,513                | 177,285,176                | 649,124                  | 2,017,411,353                       | 0.754                        | 6,052,234,059                         | 33.333%   |
| 2010             | 1,330,339,716               | 332,297,825                | 171,115,770                | 927,196                  | 1,834,680,507                       | 0.829                        | 5,504,041,521                         | 33.333%   |
| 2011             | 1,242,549,785               | 298,578,904                | 152,864,606                | 959,506                  | 1,694,952,801                       | 0.936                        | 5,084,858,403                         | 33.333%   |
| 2012             | 1,141,783,464               | 281,197,939                | 145,136,294                | 656,385                  | 1,568,774,082                       | 1.051                        | 4,706,322,246                         | 33.333%   |
| 2013             | 948,371,026                 | 272,696,503                | 135,438,749                | 787,806                  | 1,357,294,084                       | 1.275                        | 4,071,882,252                         | 33.333%   |

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                           | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>VILLAGE DIRECT RATES</b>             |              |              |              |              |              |              |              |              |              |              |
| Corporate                               | 0.444        | 0.457        | 0.469        | 0.416        | 0.393        | 0.399        | 0.377        | 0.444        | 0.501        | 0.688        |
| Bonds and interest                      | 0.070        | 0.092        | 0.083        | 0.071        | 0.093        | 0.076        | 0.098        | 0.105        | 0.113        | 0.167        |
| Garbage                                 | 0.154        | 0.122        | 0.126        | 0.110        | 0.090        | 0.089        | 0.098        | 0.109        | 0.121        | 0.026        |
| Police Pension                          | 0.065        | 0.081        | 0.085        | 0.077        | 0.078        | 0.102        | 0.137        | 0.147        | 0.167        | 0.214        |
| Firefighters' Pension                   | 0.068        | 0.075        | 0.083        | 0.076        | 0.078        | 0.088        | 0.119        | 0.131        | 0.149        | 0.180        |
| <b>TOTAL DIRECT RATES</b>               | <b>0.801</b> | <b>0.827</b> | <b>0.846</b> | <b>0.750</b> | <b>0.732</b> | <b>0.754</b> | <b>0.829</b> | <b>0.936</b> | <b>1.051</b> | <b>1.275</b> |
| <b>OVERLAPPING RATES</b>                |              |              |              |              |              |              |              |              |              |              |
| Mount Prospect Library                  | 0.475        | 0.466        | 0.482        | 0.439        | 0.441        | 0.450        | 0.519        | 0.582        | 0.646        | 0.761        |
| County of Cook                          | 0.593        | 0.533        | 0.500        | 0.446        | 0.415        | 0.394        | 0.423        | 0.462        | 0.531        | 0.560        |
| Consolidated Elections                  | -            | 0.014        | -            | 0.012        | -            | 0.021        | -            | 0.025        | -            | 0.031        |
| Forest Preserve District                | 0.060        | 0.060        | 0.057        | 0.053        | 0.051        | 0.049        | 0.051        | 0.058        | 0.063        | 0.069        |
| Metropolitan Water Reclamation District | 0.347        | 0.315        | 0.284        | 0.263        | 0.252        | 0.261        | 0.274        | 0.320        | 0.370        | 0.417        |
| Suburban TB Sanitarium                  | 0.001        | 0.005        | 0.005        | -            | -            | -            | -            | -            | -            | -            |
| Township of Elk Grove                   | 0.046        | 0.044        | 0.044        | 0.040        | 0.041        | 0.044        | 0.049        | 0.056        | 0.064        | 0.077        |
| Township of Maine                       | 0.071        | 0.070        | 0.073        | 0.065        | 0.064        | 0.067        | 0.075        | 0.085        | 0.096        | 0.120        |
| Township of Wheeling                    | 0.042        | 0.041        | 0.043        | 0.038        | 0.038        | 0.039        | 0.043        | 0.048        | 0.052        | 0.056        |
| General Assistance Elk Grove            | 0.007        | 0.009        | 0.009        | 0.008        | 0.009        | 0.010        | 0.011        | 0.012        | 0.014        | 0.017        |
| General Assistance Maine                | 0.015        | 0.015        | 0.016        | 0.015        | 0.015        | 0.016        | 0.018        | 0.021        | 0.023        | 0.029        |
| General Assistance Wheeling             | 0.009        | 0.009        | 0.010        | 0.009        | 0.009        | 0.009        | 0.005        | 0.009        | 0.009        | 0.010        |
| Road and Bridge Elk Grove               | 0.009        | 0.009        | 0.009        | 0.009        | 0.009        | 0.010        | 0.011        | 0.013        | 0.014        | 0.017        |
| Road and Bridge Maine                   | 0.036        | 0.036        | 0.038        | 0.034        | 0.033        | 0.034        | 0.038        | 0.043        | 0.049        | 0.061        |
| Road and Bridge Wheeling                | 0.012        | 0.012        | 0.013        | 0.012        | 0.012        | 0.012        | 0.014        | 0.015        | 0.016        | 0.019        |
| Northwest Mosquito Abatement            | 0.009        | 0.009        | 0.009        | 0.008        | 0.008        | 0.008        | 0.009        | 0.010        | 0.011        | 0.013        |
| Arlington Heights High School #214      | 1.818        | 1.759        | 1.823        | 1.621        | 1.587        | 1.636        | 1.839        | 2.067        | 2.324        | 2.768        |
| Community College District #512         | 0.279        | 0.281        | 0.288        | 0.260        | 0.256        | 0.258        | 0.295        | 0.334        | 0.373        | 0.444        |
| Arlington Heights Park District         | 0.466        | 0.453        | 0.461        | 0.404        | 0.379        | 0.392        | 0.450        | 0.496        | 0.545        | 0.633        |
| Village of Mount Prospect               |              |              |              |              |              |              |              |              |              |              |
| Special Service Area #6                 | 0.298        | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Special Service Area #5                 | 0.125        | 0.117        | 0.118        | 0.101        | 0.096        | 0.095        | 0.105        | 0.114        | 0.122        | 0.140        |
| School District #59                     | 1.972        | 1.933        | 2.013        | 1.791        | 1.810        | 1.945        | 2.129        | 2.422        | 2.673        | 3.172        |

| <b>Tax levy Year</b>   | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>OVERLAPPING RATES (Continued)</b>   |             |             |             |             |             |             |             |             |             |             |
| Mount Prospect Park District   | 0.455       | 0.459       | 0.474       | 0.411       | 0.407       | 0.411       | 0.453       | 0.502       | 0.557       | 0.657       |
| School District #57  | 2.740       | 2.643       | 2.694       | 2.334       | 2.246       | 2.195       | 2.521       | 2.748       | 3.041       | 3.478       |
| School District #25  | 3.156       | 3.225       | 3.295       | 2.890       | 2.807       | 2.510       | 2.813       | 3.101       | 3.416       | 3.659       |
| River Trails Park District   | 0.484       | 0.480       | 0.484       | 0.428       | 0.422       | 0.433       | 0.510       | 0.553       | 0.632       | 0.747       |
| School District #26  | 2.948       | 2.880       | 3.047       | 2.698       | 2.696       | 2.703       | 3.131       | 3.458       | 3.873       | 4.563       |
| Prospect Heights Park District   | 0.662       | 0.640       | 0.658       | 0.561       | 0.544       | 0.523       | 0.595       | 0.661       | 0.746       | 0.856       |
| School District #23  | 2.987       | 2.880       | 2.948       | 2.418       | 2.363       | 2.253       | 2.571       | 2.869       | 3.273       | 3.932       |
| School District #21  | 3.262       | 3.394       | 3.502       | 3.154       | 3.161       | 3.209       | 3.658       | 4.164       | 4.556       | 4.841       |
| Des Plaines Park District  | 0.427       | 0.350       | 0.356       | 0.312       | 0.300       | 0.317       | 0.338       | 0.379       | 0.425       | 0.531       |
| Prospect Heights Old Town Sanitary   | 0.073       | 0.071       | 0.074       | 0.039       | 0.015       | 0.015       | 0.017       | 0.020       | 0.023       | 0.028       |
| Elk Grove Rural Fire Protection District   | 0.722       | 0.841       | 1.039       | 0.895       | 0.971       | 1.032       | 1.055       | 1.121       | 1.096       | 1.296       |
| Prospect Heights Rural Fire Protection District  | 0.731       | 0.767       | 0.795       | 0.693       | 0.677       | 0.652       | 0.755       | 0.845       | 0.934       | 1.091       |
| High School #207   | 1.795       | 1.757       | 1.826       | 1.602       | 1.577       | 1.617       | 1.782       | 1.995       | 2.215       | 2.722       |
| Community College #535   | 0.161       | 0.158       | 0.166       | 0.141       | 0.140       | 0.140       | 0.160       | 0.196       | 0.219       | 0.256       |
| School District #62  | 2.475       | 2.501       | 2.627       | 2.350       | 2.329       | 2.492       | 2.741       | 3.107       | 3.490       | 4.255       |
| <b>TOTAL TAX RATE FOR PROPERTY LOCATED<br/>IN THE VILLAGE OF MOUNT PROSPECT,<br/>ELK GROVE TOWNSHIP, AND SCHOOL<br/>DISTRICT #59</b> |             |             |             |             |             |             |             |             |             |             |
|  | 6.997       | 6.840       | 6.961       | 6.212       | 6.114       | 6.346       | 6.997       | 7.913       | 8.813       | 10.418      |
| <b>SHARE OF TOTAL TAX RATE LEVIED BY<br/>THE VILLAGE OF MOUNT PROSPECT<br/>FOR VILLAGE PURPOSES</b>                                  |             |             |             |             |             |             |             |             |             |             |
|  | 11.4%       | 12.1%       | 12.2%       | 12.1%       | 12.0%       | 11.9%       | 11.8%       | 11.8%       | 11.9%       | 12.2%       |
| <b>TOTAL TAX RATE FOR PROPERTY LOCATED<br/>IN THE VILLAGE OF MOUNT PROSPECT,<br/>WHEELING TOWNSHIP, AND SCHOOL<br/>DISTRICT #26</b>  |             |             |             |             |             |             |             |             |             |             |
|  | 7.974       | 7.787       | 7.999       | 7.121       | 7.000       | 7.100       | 7.990       | 8.940       | 9.998       | 11.783      |
| <b>SHARE OF TOTAL TAX RATE LEVIED BY<br/>THE VILLAGE OF MOUNT PROSPECT<br/>FOR VILLAGE PURPOSES</b>                                  |             |             |             |             |             |             |             |             |             |             |
|  | 10.0%       | 10.6%       | 10.6%       | 10.5%       | 10.5%       | 10.6%       | 10.4%       | 10.5%       | 10.5%       | 10.8%       |

\* 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

| 2013                                       |                         |      |  | 2004                                    |                         |      |  |
|--|-------------------------|------|--|---|-------------------------|------|--|
| Taxpayer                                   | Taxable Assessed Value  | Rank | Percentage of Total Village Taxable Assessed Valuation | Taxpayer                                | Taxable Assessed Value  | Rank | Percentage of Total Village Taxable Assessed Valuation |
| Ramco-Gershenson Properties, L.P.          | \$ 21,401,661           | 1    | 1.58%  | Randhurst Urban Retail/LaSalle Bank &   | \$ 62,206,223           | 1    | 4.10%  |
| Randhurst Casto Conger                     | 21,120,282              | 2    | 1.56%  | 1st Industrial LP                       | 28,184,111              | 2    | 1.86%  |
| Golf Plaza I & II                          | 13,485,708              | 3    | 0.99%  | Stomad Ctrs. Mt. Prospect               | 25,037,707              | 3    | 1.65%  |
| Home Properties Colony                     | 10,287,164              | 4    | 0.76%  | Home Properties Colony                  | 24,326,569              | 4    | 1.60%  |
| Crp-3 Acquisitions, LLC                    | 9,899,919               | 5    | 0.73%  | Golf Plaza                              | 16,879,909              | 5    | 1.11%  |
| LIT Industrial Limited                     | 7,501,215               | 6    | 0.55%  | CRP Holdings                            | 15,658,338              | 6    | 1.03%  |
| First Industrial Rlty                      | 7,474,259               | 7    | 0.55%  | Cabot Ind. Properties                   | 10,957,639              | 7    | 0.72%  |
| Costo Properties                           | 7,117,196               | 8    | 0.52%  | Washington Capital                      | 10,045,189              | 8    | 0.66%  |
| Cummins Alison Corp                        | 7,044,662               | 9    | 0.52%  | Wall Street Properties LLC              | 9,210,067               | 9    | 0.61%  |
| Kensington Business Center Holdings-1, LLC | <u>7,022,165</u>        | 10   | <u>0.52%</u>   | Wal-Mart                                | <u>8,622,918</u>        | 10   | <u>0.57%</u>   |
|  | <u>\$ 112,354,231</u>   |      | <u>8.28%</u>   |   | <u>\$ 211,128,670</u>   |      | <u>13.93%</u>  |
| Total 2013 Equalized Assessed Valuation    | <u>\$ 1,357,294,084</u> |      | <u>100.00%</u>   | Total 1997 Equalized Assessed Valuation | <u>\$ 1,516,002,645</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.

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 |
| 2005        | 2004      | \$ 11,939,893 | \$ 11,534,824                                | 96.61%             | \$ 113,577                      | \$ 11,648,401             | 97.56%             |
| 2006        | 2005      | 13,175,689    | 12,222,889                                   | 92.77%             | 645,519                         | 12,868,408                | 97.67%             |
| 2007        | 2006      | 13,506,574    | 12,369,490                                   | 91.58%             | 872,396                         | 13,241,886                | 98.04%             |
| 2008        | 2007      | 14,014,838    | 13,648,416                                   | 97.39%             | (74,080)                        | 13,574,336                | 96.86%             |
| 2009        | 2008      | 14,472,269    | 14,137,805                                   | 97.69%             | (6,590)                         | 14,131,215                | 97.64%             |
| 2010        | 2009      | 15,194,636    | 14,856,084                                   | 97.77%             | (49,716)                        | 14,806,368                | 97.44%             |
| 2011        | 2010      | 15,194,635    | 14,961,411                                   | 98.47%             | 4,154                           | 14,965,565                | 98.49%             |
| 2012        | 2011      | 15,852,352    | 15,614,490                                   | 98.50%             | 42,771                          | 15,657,261                | 98.77%             |
| 2013        | 2012      | 16,477,871    | 16,278,228                                   | 98.79%             | 133,641                         | 16,411,869                | 99.60%             |
| 2014        | 2013      | 17,301,436    | 17,064,355                                   | 98.63%             | -                               | 17,064,355                | 98.63%             |

Data Source

Office of the County Clerk

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SALES TAXES BY CATEGORY**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                   | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>          | <b>2009</b>         | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General merchandise                  | \$ 1,163,392        | \$ 1,191,814        | \$ 1,207,238        | \$ 1,099,957         | \$ 800,080          | \$ 1,054,791         | \$ 946,021           | \$ 1,186,217         | \$ 1,171,771         | \$ 1,135,237         |
| Food                                 | 901,597             | 883,285             | 1,042,920           | 1,069,087            | 1,005,043           | 944,631              | 895,984              | 862,501              | 876,288              | 891,855              |
| Drinking and eating places           | 547,681             | 566,627             | 583,799             | 564,572              | 522,897             | 544,118              | 596,008              | 661,285              | 764,653              | 778,314              |
| Apparel                              | 124,284             | 157,184             | 149,857             | 68,774               | 33,425              | 37,444               | 216,301              | 118,034              | 149,317              | 163,857              |
| Furniture and H.H. and radio         | 230,378             | 280,088             | 274,809             | 243,339              | 225,436             | 224,221              | 237,392              | 255,967              | 240,289              | 221,977              |
| Lumber, building hardware            | 907,954             | 869,944             | 801,315             | 704,972              | 650,987             | 668,852              | 683,905              | 670,057              | 750,191              | 756,113              |
| Automobile and filling stations      | 1,185,563           | 1,267,636           | 1,333,637           | 1,277,713            | 1,176,389           | 1,358,572            | 1,585,870            | 1,681,146            | 1,508,700            | 1,578,004            |
| Drugs and miscellaneous retail       | 2,210,598           | 2,682,731           | 2,454,600           | 3,608,854            | 3,272,273           | 3,699,398            | 3,393,072            | 3,422,047            | 4,081,740            | 4,574,353            |
| Agriculture and all others           | 714,534             | 819,090             | 853,036             | 1,245,594            | 1,275,048           | 1,726,693            | 1,924,871            | 2,073,142            | 2,616,771            | 2,802,361            |
| Manufacturers                        | 115,036             | 105,704             | 110,189             | 184,057              | 93,616              | 129,476              | 135,019              | 110,009              | 182,433              | 383,370              |
| <b>TOTAL</b>                         | <b>\$ 8,101,017</b> | <b>\$ 8,824,103</b> | <b>\$ 8,811,400</b> | <b>\$ 10,066,919</b> | <b>\$ 9,055,194</b> | <b>\$ 10,388,196</b> | <b>\$ 10,614,443</b> | <b>\$ 11,040,405</b> | <b>\$ 12,342,153</b> | <b>\$ 13,285,441</b> |
| <b>VILLAGE DIRECT SALES TAX RATE</b> | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>         | <b>1.00%</b>        | <b>1.00%</b>         | <b>1.00%</b>         | <b>1.00%</b>         | <b>1.00%</b>         | <b>1.00%</b>         |
| <b>NUMBER OF TAXPAYERS</b>           | <b>1,125</b>        | <b>1,168</b>        | <b>1,149</b>        | <b>900</b>           | <b>795</b>          | <b>800</b>           | <b>839</b>           | <b>861</b>           | <b>883</b>           | <b>899</b>           |

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

Data Source

Illinois Department of Revenue

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**BUSINESS DISTRICT SALES TAXES BY CATEGORY**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                          | <b>2005</b>  | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012*</b>      | <b>2013*</b>      | <b>2014</b>       |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|-------------------|-------------------|
| General merchandise                         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 89,393         | \$ 88,289         | \$ 85,937         |
| Food  | -            | -            | -            | -            | -            | -            | -            | 18,898            | 19,146            | 20,989            |
| Drinking and eating places                  | -            | -            | -            | -            | -            | -            | -            | 29,413            | 40,954            | 48,185            |
| Apparel                                     | -            | -            | -            | -            | -            | -            | -            | 16,341            | 15,594            | 19,302            |
| Furniture and H.H. and radio                | -            | -            | -            | -            | -            | -            | -            | 16,287            | 17,106            | 16,461            |
| Lumber, building hardware                   | -            | -            | -            | -            | -            | -            | -            | 90,668            | 101,338           | 104,434           |
| Automobile and filling stations             | -            | -            | -            | -            | -            | -            | -            | -                 | -                 | -                 |
| Drugs and miscellaneous retail              | -            | -            | -            | -            | -            | -            | -            | 17,747            | 29,896            | 32,071            |
| Agriculture and all others                  | -            | -            | -            | -            | -            | -            | -            | 4,959             | 5,203             | 4,554             |
| Manufacturers                               | -            | -            | -            | -            | -            | -            | -            | -                 | -                 | -                 |
| <b>TOTAL</b>                                | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 283,706</b> | <b>\$ 317,526</b> | <b>\$ 331,933</b> |
| <b>VILLAGE HOME RULE<br/>SALES TAX RATE</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b> | <b>0.00%</b>      | <b>0.25%</b>      | <b>0.25%</b>      |

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

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

Data Source

Illinois Department of Revenue

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**HOME RULE SALES TAXES BY CATEGORY**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                          | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>         | <b>2009</b>         | <b>2010</b>         | <b>2011</b>         | <b>2012*</b>        | <b>2013*</b>        | <b>2014*</b>        |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General merchandise                         | \$ 778,634          | \$ 793,949          | \$ 811,505          | \$ 967,261          | \$ 693,008          | \$ 811,120          | \$ 749,509          | \$ 900,240          | \$ 885,410          | \$ 864,254          |
| Food  | 169,411             | 160,335             | 197,945             | 261,398             | 248,128             | 266,766             | 254,207             | 238,050             | 240,013             | 234,082             |
| Drinking and eating places                  | 405,729             | 420,844             | 434,613             | 558,908             | 519,177             | 539,414             | 592,596             | 656,376             | 754,898             | 766,264             |
| Apparel                                     | 93,186              | 117,804             | 112,251             | 68,267              | 33,424              | 37,442              | 153,487             | 117,928             | 148,991             | 163,487             |
| Furniture and H.H. and radio                | 172,592             | 209,655             | 205,312             | 240,192             | 223,116             | 220,694             | 232,711             | 251,253             | 235,936             | 218,184             |
| Lumber, building hardware                   | 678,295             | 649,820             | 598,495             | 701,258             | 646,990             | 665,409             | 680,356             | 665,891             | 743,492             | 752,301             |
| Automobile and filling stations             | 420,491             | 464,579             | 494,408             | 640,842             | 596,221             | 697,383             | 891,042             | 922,948             | 948,339             | 956,255             |
| Drugs and miscellaneous retail              | 407,301             | 387,350             | 381,387             | 413,511             | 407,587             | 484,085             | 432,639             | 454,001             | 509,608             | 508,772             |
| Agriculture and all others                  | 524,602             | 592,983             | 621,576             | 819,975             | 647,829             | 632,050             | 659,611             | 514,937             | 492,238             | 550,929             |
| Manufacturers                               | 83,868              | 76,697              | 80,093              | 180,157             | 89,263              | 126,598             | 131,640             | 107,183             | 179,710             | 380,685             |
| <b>TOTAL</b>                                | <b>\$ 3,734,109</b> | <b>\$ 3,874,017</b> | <b>\$ 3,937,585</b> | <b>\$ 4,851,769</b> | <b>\$ 4,104,743</b> | <b>\$ 4,480,961</b> | <b>\$ 4,777,798</b> | <b>\$ 4,828,807</b> | <b>\$ 5,138,635</b> | <b>\$ 5,395,213</b> |
| <b>VILLAGE HOME RULE<br/>SALES TAX RATE</b> | <b>0.75%</b>        | <b>0.75%</b>        | <b>0.75%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        | <b>1.00%</b>        |
| <b>NUMBER OF TAXPAYERS</b>                  | <b>1,125</b>        | <b>1,168</b>        | <b>1,149</b>        | <b>900</b>          | <b>795</b>          | <b>800</b>          | <b>839</b>          | <b>861</b>          | <b>883</b>          | <b>899</b>          |

\*Excluding additional allocations received (excluded from IDOR Online report as well).

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

Data Source

Illinois Department of Revenue

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

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| <b>Fiscal Year</b> | <b>State Rate</b> | <b>County Rate</b> | <b>Regional Transportation Authority</b> | <b>Village Direct Rate</b> | <b>Home Rule Sales Tax Rate</b> | <b>Total</b> |
|--------------------|-------------------|--------------------|--|----------------------------|---------------------------------|--------------|
| 2005               | 5.00%             | 1.00%              | 0.75%                                    | 1.00%                      | 0.75%                           | 8.50%        |
| 2006               | 5.00%             | 1.00%              | 0.75%                                    | 1.00%                      | 0.75%                           | 8.50%        |
| 2007               | 5.00%             | 1.00%              | 0.75%                                    | 1.00%                      | 0.75%                           | 8.50%        |
| 2008               | 5.00%             | 2.00%              | 1.00%                                    | 1.00%                      | 1.00%                           | 10.00%       |
| 2009               | 5.00%             | 2.00%              | 1.00%                                    | 1.00%                      | 1.00%                           | 10.00%       |
| 2010               | 5.00%             | 1.50%              | 1.00%                                    | 1.00%                      | 1.00%                           | 9.50%        |
| 2011               | 5.00%             | 1.50%              | 1.00%                                    | 1.00%                      | 1.00%                           | 9.50%        |
| 2012*              | 5.00%             | 1.25%              | 1.00%                                    | 1.00%                      | 1.00%                           | 9.25%        |
| 2013*              | 5.00%             | 1.00%              | 1.00%                                    | 1.00%                      | 1.00%                           | 9.00%        |
| 2014*              | 5.00%             | 1.00%              | 1.00%                                    | 1.00%                      | 1.00%                           | 9.00%        |

\*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 |               |                          |                                |             |
| 2005              | \$ 17,974,452            | \$ 3,365,000                  | \$ 5,215,348          | \$ 705,000           | \$ -                                       | \$ -                     | \$ 27,259,800 | 1.83%                    | \$ 484.49                      |             |
| 2006              | 16,540,764               | 2,570,000                     | 4,760,147             | 705,000              | -  | -                        | 24,575,911    | 1.65%                    | 436.79                         |             |
| 2007              | 14,760,000               | 1,655,000                     | 4,290,413             | 355,000              | -  | -                        | 21,060,413    | 1.41%                    | 374.31                         |             |
| 2008              | 13,105,000               | -                             | 3,805,678             | -                    | -  | -                        | 16,910,678    | 1.14%                    | 300.55                         |             |
| 2009              | 24,770,000               | -                             | 3,305,459             | -                    | -  | -                        | 28,075,459    | 1.89%                    | 498.99                         |             |
| 2010              | 24,240,000               | -                             | 2,789,256             | -                    | -  | -                        | 27,029,256    | 1.82%                    | 480.39                         |             |
| 2011              | 23,630,000               | -                             | 2,256,556             | -                    | -  | -                        | 25,886,556    | 1.44%                    | 477.90                         |             |
| 2012              | 22,790,000               | -                             | 1,706,824             | 2,500,000            | -  | -                        | 26,996,824    | 1.50%                    | 498.40                         |             |
| 2013              | 31,645,000               | -                             | 1,139,512             | 2,475,000            | 30,451,305                                 | -                        | 65,710,817    | 3.65%                    | 1,213.12                       |             |
| 2014              | 48,075,000               | -                             | 721,927               | 2,340,000            | 31,514,427                                 | -                        | 82,651,354    | 4.59%                    | 1,525.86                       |             |

\* See the schedule of Demographic and Economic Information on page 198 for personal income and population data.

- (1) The Village entered into four 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.
- (2) The Village entered into an installment note to purchase property in the Downtown Redevelopment TIF District for future development. The loan is payable in annual installments over a five-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

| <b>Fiscal Year</b> | <b>General Obligation Bonds</b> | <b>Less: Amounts Available In Debt Service Fund</b> | <b>Total</b>  | <b>Percentage of Estimated Actual Taxable Value of Property*</b> | <b>Per Capita</b> |
|--------------------|---------------------------------|---|---------------|--|-------------------|
| 2005               | \$ 21,339,452                   | \$ 419,317  | \$ 20,920,135 | 0.47%  | \$ 371.81         |
| 2006               | 19,110,764                      | 465,990   | 18,644,774    | 0.39%  | 331.37            |
| 2007               | 16,415,000                      | 94,398  | 16,320,602    | 0.34%  | 290.07            |
| 2008               | 13,105,000                      | -   | 13,105,000    | 0.23%  | 232.92            |
| 2009               | 24,770,000                      | -   | 24,770,000    | 0.42%  | 440.24            |
| 2010               | 24,240,000                      | -   | 24,240,000    | 0.40%  | 430.82            |
| 2011               | 23,630,000                      | 131,372   | 23,498,628    | 0.43%  | 433.82            |
| 2012               | 22,790,000                      | 135,817   | 22,654,183    | 0.45%  | 418.23            |
| 2013               | 31,645,000                      | 121,491   | 31,523,509    | 0.67%  | 581.97            |
| 2014               | 48,075,000                      | 131,635   | 47,943,365    | 1.18%  | 885.10            |

\*See the schedule of Assessed Value and Actual Value of Taxable Property on page 185 for property value data.

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

Data Source

Audited financial statements  
Office of the County Clerk

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2014

| <b>Governmental unit</b>                | <b>(1)<br/>Gross<br/>Debt</b> | <b>(2)<br/>Percentage<br/>Debt Applicable<br/>to the Village of<br/>Mount Prospect</b> | <b>(3)<br/>Village of<br/>Mount Prospect<br/>Share<br/>of Debt</b> |
|---|-------------------------------|--|--|
| Village of Mount Prospect               | \$ 51,136,927                 | 100.000%   | \$ 51,136,927  |
| County of Cook                          | 3,598,980,000                 | 1.080%   | 38,868,984   |
| Forest Preserve District of Cook County | 172,535,000                   | 1.080%   | 1,863,378  |
| Metropolitan Water Reclamation District | 2,394,997,000                 | 1.102%   | 26,392,867   |
| Community College District #535         | 35,370,000                    | 0.013%   | 4,598  |
| Community College District #512         | 166,045,000                   | 8.847%   | 14,690,001   |
| School District #214                    | 42,800,000                    | 18.254%  | 7,812,712  |
| School District #207                    | 8,570,000                     | 0.063%   | 5,399  |
| School District #57                     | 7,045,000                     | 94.988%  | 6,691,905  |
| School District #25                     | -                             | 2.684%   | -  |
| School District #26                     | 10,610,000                    | 77.929%  | 8,268,267  |
| School District #23                     | 9,940,000                     | 7.542%   | 749,675  |
| School District #21                     | 40,805,000                    | 3.003%   | 1,225,374  |
| School District #59                     | 5,540,000                     | 14.489%  | 802,691  |
| Arlington Heights Park District         | 13,205,000                    | 1.609%   | 212,468  |
| Des Plaines Park District               | 5,457,240                     | 1.640%   | 89,499   |
| Mount Prospect Park District            | 4,297,000                     | 63.648%  | 2,734,955  |
| Prospect Heights Park District          | -                             | 15.274%  | -  |
|   | <u>6,516,196,240</u>          |  | <u>110,412,773</u>   |
|   | <u>\$ 6,567,333,167</u>       |  | <u>\$ 161,549,700</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 2013 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

Comprehensive Annual Financial Report for Cook County, Illinois (2013) and Metropolitan Water Reclamation District of Greater Chicago (2013) and Office of the County Clerk for all other Governmental Units (2014).

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2014

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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. The government is a home rule municipality.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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| <b>Fiscal Year</b> | <b>(1)<br/>Population</b> | <b>(2)<br/>Equalized<br/>Assessed Value</b> | <b>Personal<br/>Income</b> | <b>(1)<br/>Per<br/>Capita<br/>Personal<br/>Income</b> | <b>(3)<br/>Unemployment<br/>Rate</b> |
|--------------------|---------------------------|---|----------------------------|---|--------------------------------------|
| 2005               | 56,265                    | \$ 1,594,975,722                            | \$ 1,488,996,960           | \$ 26,464   | 4.40%                                |
| 2006               | 56,265                    | 1,597,309,461                               | 1,488,996,960              | 26,464  | 3.20%                                |
| 2007               | 56,265                    | 1,870,325,316                               | 1,488,996,960              | 26,464  | 3.40%                                |
| 2008               | 56,265                    | 1,979,496,030                               | 1,488,996,960              | 26,464  | 4.50%                                |
| 2009               | 56,265                    | 2,017,411,353                               | 1,488,996,960              | 26,464  | 7.90%                                |
| 2010               | 56,265                    | 1,834,680,507                               | 1,488,996,960              | 26,464  | 7.80%                                |
| 2011               | 54,167                    | 1,694,952,801                               | 1,798,831,903              | 33,209  | 7.40%                                |
| 2012               | 54,167                    | 1,568,774,082                               | 1,798,831,903              | 33,209  | 6.60%                                |
| 2013               | 54,167                    | 1,357,294,084                               | 1,798,831,903              | 33,209  | 6.70%                                |
| 2014               | 54,167                    | N/A   | 1,798,831,903              | 33,209  | 5.50%                                |

Note: 2014 Equalized Assessed Valuation is unavailable until 2015.

Data Source

(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

| 2014                              |      |           |                               | 2005                              |      |           |                               |
|-----------------------------------|------|-----------|-------------------------------|-----------------------------------|------|-----------|-------------------------------|
| Employer                          | Rank | Employees | % of Total Village Population | Employer                          | Rank | Employees | % of Total Village Population |
| CVS Caremark                      | 1    | 1,240     | 2.29%                         | Caremark, Inc.                    | 1    | 750       | 1.33%                         |
| Robert Bosch Tool Corporation     | 2    | 650       | 1.20%                         | Robert Bosch Tool Corporation     | 2    | 600       | 1.07%                         |
| Cummins-Allison Corporation       | 3    | 507       | 0.94%                         | Village of Mount Prospect         | 3    | 321       | 0.57%                         |
| Village of Mount Prospect         | 4    | 306       | 0.56%                         | Advance Mechanical Systems, Inc.  | 4    | 250       | 0.44%                         |
| Rauland Borg                      | 5    | 300       | 0.55%                         | Commonwealth Edison Co.           | 5    | 250       | 0.44%                         |
| Mount Prospect School District 57 | 6    | 271       | 0.50%                         | Bank One                          | 6    | 245       | 0.44%                         |
| Carson Pirie Scott                | 7    | 234       | 0.43%                         | Township High School No. 214      | 7    | 240       | 0.43%                         |
| Township High School No. 214      | 8    | 225       | 0.42%                         | Mount Prospect School District 57 | 8    | 230       | 0.41%                         |
| Home Depot                        | 9    | 218       | 0.40%                         | Cummins-Allison Corporation       | 9    | 200       | 0.36%                         |
| Wal-Mart Stores, Inc.             | 10   | 200       | 0.37%                         | Cardone Record Services, Inc.     | 10   | 180       | 0.32%                         |

Data Source

Village Records, 2005 Illinois Manufacturers Directory, 2005 Illinois Services Directory

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

| <b>Function/Program</b>                                   | <b>2005</b>   | <b>2006</b>   | <b>2007</b>   |
|---|---------------|---------------|---------------|
| <b>PUBLIC REPRESENTATION/COMMUNITY AND CIVIC SERVICES</b> |               |               |               |
| Total   | 1.05          | 1.05          | 1.05          |
| <b>GENERAL GOVERNMENT</b>                                 |               |               |               |
| Village administration                                    |               |               |               |
| Administration  | 15.15         | 15.45         | 16.45         |
| Finance   | 15.00         | 15.00         | 15.00         |
| Total   | 30.15         | 30.45         | 31.45         |
| Community development                                     |               |               |               |
| Community development                                     | 20.90         | 20.90         | 22.90         |
| Community development/CDBG                                | 1.20          | 1.20          | 1.20          |
| Total   | 22.10         | 22.10         | 24.10         |
| Human services department                                 | 7.60          | 7.60          | 7.60          |
| Total   | 7.60          | 7.60          | 7.60          |
| <b>PUBLIC SAFETY AND PROTECTION</b>                       |               |               |               |
| Police Department   | 105.50        | 110.50        | 111.50        |
| Fire Department   | 80.70         | 83.90         | 84.20         |
| Total   | 186.20        | 194.40        | 195.70        |
| <b>PUBLIC WORKS DEPARTMENT</b>                            |               |               |               |
| Administration  | 3.35          | 3.35          | 3.35          |
| Streets/buildings/parking                                 | 14.60         | 14.60         | 14.80         |
| Forestry  | 10.80         | 10.80         | 10.80         |
| Engineering   | 7.90          | 8.30          | 8.30          |
| Water/sewer   | 25.75         | 25.55         | 26.15         |
| Refuse disposal   | 2.90          | 2.90          | 2.90          |
| Parking   | -             | -             | -             |
| Vehicle maintenance                                       | 9.10          | 8.90          | 8.90          |
| Total   | 74.40         | 74.40         | 75.20         |
| <b>VILLAGE TOTAL</b>                                      | <b>321.50</b> | <b>330.00</b> | <b>335.10</b> |

Data Source

Village budget

| 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |
|--------|--------|--------|--------|--------|--------|--------|
| 1.05   | 1.05   | 1.05   | 2.10   | 2.10   | 2.10   | 2.05   |
| 1.05   | 1.05   | 1.05   | 2.10   | 2.10   | 2.10   | 2.05   |
| 16.95  | 16.95  | 14.95  | 14.95  | 15.45  | 15.45  | 15.45  |
| 15.00  | 15.00  | 13.00  | 13.00  | 13.00  | 13.00  | 13.00  |
| 31.95  | 31.95  | 27.95  | 27.95  | 28.45  | 28.45  | 28.45  |
| 23.40  | 23.15  | 20.48  | 20.48  | 17.75  | 18.50  | 18.50  |
| 1.20   | 1.20   | 1.25   | 1.25   | 1.25   | 1.00   | 1.00   |
| 24.60  | 24.35  | 21.73  | 21.73  | 19.00  | 19.50  | 19.50  |
| 7.60   | 10.60  | 9.50   | 9.50   | 9.50   | 9.50   | 9.50   |
| 7.60   | 10.60  | 9.50   | 9.50   | 9.50   | 9.50   | 9.50   |
| 111.50 | 111.50 | 97.83  | 97.83  | 99.50  | 100.50 | 100.50 |
| 84.20  | 82.20  | 74.75  | 74.75  | 74.50  | 74.50  | 74.50  |
| 195.70 | 193.70 | 172.58 | 172.58 | 174.00 | 175.00 | 175.00 |
| 3.35   | 3.35   | 2.85   | 2.85   | 2.85   | 2.85   | 2.85   |
| 14.60  | 14.80  | 11.35  | 11.85  | 11.85  | 12.45  | 12.40  |
| 10.80  | 10.80  | 10.70  | 9.75   | 9.75   | 9.25   | 9.35   |
| 8.30   | 8.30   | 8.00   | 8.00   | 8.00   | 8.00   | 8.00   |
| 26.15  | 26.15  | 26.50  | 25.00  | 25.00  | 24.75  | 24.75  |
| 2.90   | 2.90   | 2.90   | 2.90   | 2.90   | 2.90   | 2.90   |
| -      | -      | -      | 0.90   | 0.90   | 0.90   | 0.90   |
| 9.10   | 10.90  | 10.90  | 10.90  | 10.90  | 10.75  | 10.75  |
| 75.20  | 77.20  | 73.20  | 72.15  | 72.15  | 71.85  | 71.90  |
| 336.10 | 338.85 | 306.01 | 306.01 | 305.20 | 306.40 | 306.40 |



VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

| <b>Function/Program</b>              | <b>2005</b> | <b>2006</b> | <b>2007</b> |
|--------------------------------------|-------------|-------------|-------------|
| <b>FINANCE DEPARTMENT</b>            |             |             |             |
| Vehicle stickers issued              | 38,425      | 38,973      | 38,851      |
| Utility bills                        | 85,894      | 100,846     | 97,677      |
| Real estate transfer tax stamps sold | 1,903       | 1,624       | 1,249       |
| <b>COMMUNITY DEVELOPMENT</b>         |             |             |             |
| Building Division                    |             |             |             |
| Permits issued                       | 3,217       | 2,866       | 2,801       |
| Plan reviews                         | 744         | 787         | 553         |
| Building code inspections            | 14,364      | 9,590       | 8,438       |
| Environmental Health Division        |             |             |             |
| Inspections                          |             |             |             |
| Food service                         | 364         | 400         | 392         |
| Multi-family buildings               | 414         | 583         | 476         |
| Swimming pools/spa                   | 6           | 33          | 62          |
| <b>PUBLIC SAFETY</b>                 |             |             |             |
| Police                               |             |             |             |
| Number of crimes                     | 3,834       | 3,247       | 4,295       |
| Number of service calls              | 30,387      | 25,443      | 26,694      |
| Number of arrests                    | 1,740       | 1,855       | 1,928       |
| Moving violations                    | 7,383       | 6,522       | 7,985       |
| Parking citations                    | 8,194       | 7,641       | 9,438       |
| Fire                                 |             |             |             |
| Fire calls                           | 1,837       | 1,647       | 2,273       |
| EMS calls                            | 3,443       | 3,679       | 3,518       |
| Fire prevention inspections          | 2,692       | 4,388       | 3,652       |
| Training hours                       | 22,397      | 21,865      | 22,837      |
| <b>PUBLIC WORKS</b>                  |             |             |             |
| Streets                              |             |             |             |
| Street reconstruction (miles)        |             |             |             |
| Streeting resurfacing (miles)        | 5.00        | 9.00        | 7.00        |
| Crack filling (lbs.)                 | 58,700      | 47,390      | 57,660      |
| Leaves removed (cubic yards)         | 16,897      | 14,302      | 15,187      |
| Water                                |             |             |             |
| Water mains installed (lineal feet)  | 3,250       | 3,000       | 3,200       |
| Water billed (1,000 gallons)         | 1,491,251   | 1,501,699   | 1,440,716   |
| Sanitary sewers cleaned (ft)         | 45,000      | 70,000      | 70,000      |
| Refuse (single/multi-family)         |             |             |             |
| Solid waste collected (tons)         | 33,019      | 32,188      | 32,928      |
| Recycling (tons)                     | 7,348       | 6,890       | 6,728       |

\* 2014 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

| <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014*</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 39,208      | 39,650      | 40,018      | 39,834      | 43,092      | 43,490      | 43,803       |
| 86,577      | 86,458      | 86,057      | 86,701      | 90,147      | 152,312     | 152,519      |
| 947         | 986         | 1,086       | 1,022       | 1,282       | 1,451       | 1,409        |
| 2,687       | 2,415       | 2,922       | 2,821       | 2,278       | 2,383       | 2,400        |
| 452         | 420         | 505         | 515         | 595         | 524         | 500          |
| 7,631       | 8,564       | 8,783       | 8,508       | 9,154       | 7,824       | 9,500        |
| 340         | 394         | 400         | 394         | 405         | 393         | 345          |
| 279         | 491         | 664         | 664         | 565         | 568         | 575          |
| 59          | 28          | -           | -           | -           | -           | -            |
| 4,242       | 3,921       | 3,696       | 3,359       | 3,178       | 2,809       | 2,670        |
| 25,631      | 23,600      | 22,028      | 19,943      | 19,184      | 19,206      | 19,300       |
| 1,769       | 1,736       | 1,898       | 1,845       | 1,602       | 1,509       | 1,410        |
| 8,723       | 10,355      | 10,139      | 7,026       | 5,979       | 6,152       | 5,800        |
| 10,690      | 10,256      | 11,317      | 9,363       | 7,640       | 7,314       | 8,000        |
| 2,019       | 1,817       | 1,888       | 2,350       | 1,892       | 1,967       | 1,996        |
| 3,487       | 3,535       | 3,465       | 3,590       | 3,885       | 3,912       | 4,200        |
| 3,264       | 4,258       | 3,790       | 3,418       | 3,308       | 3,144       | 3,400        |
| 21,073      | 23,851      | 24,313      | 23,578      | 21,340      | 21,149      | 21,257       |
| 5.00        | 5.80        | 5.00        | 4.70        | 5.20        | 7.50        | 18.90        |
| 55,000      | 57,118      | 46,846      | 40,871      | 51,885      | 49,153      | 50,100       |
| 16,272      | 18,970      | 15,424      | 14,843      | 12,569      | 14,577      | 13,000       |
| 8,079       | 5,475       | 5,475       | -           | -           | -           | -            |
| 1,369,479   | 1,346,272   | 1,296,556   | 1,287,525   | 1,341,268   | 1,284,779   | 1,301,528    |
| 30,000      | 55,150      | 55,150      | 54,236      | 58,922      | 65,000      | 70,000       |
| 32,101      | 30,231      | 31,963      | 32,264      | 31,385      | 29,494      | 31,598       |
| 6,644       | 6,154       | 6,117       | 6,644       | 6,028       | 5,692       | 6,777        |

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Fiscal Years

| <b>Function/Program</b>     | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>PUBLIC SAFETY</b>        |             |             |             |             |             |             |             |             |             |             |
| Police                      |             |             |             |             |             |             |             |             |             |             |
| Stations                    | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrols vehicles            | 38          | 39          | 35          | 35          | 34          | 34          | 34          | 33          | 33          | 32          |
| Fire                        |             |             |             |             |             |             |             |             |             |             |
| Fire stations               | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Fire engines/vehicles       | 23          | 22          | 22          | 22          | 22          | 22          | 22          | 20          | 23          | 23          |
| <b>PUBLIC WORKS</b>         |             |             |             |             |             |             |             |             |             |             |
| Residential streets (miles) | 134         | 134         | 134         | 134         | 134         | 134         | 134         | 134         | 135         | 134         |
| <b>WATER</b>                |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)         | 163         | 164         | 166         | 166         | 166         | 162         | 162         | 162         | 161         | 160         |
| Fire hydrants               | 2,200       | 2,309       | 2,328       | 2,328       | 2,328       | 2,295       | 2,291       | 2,295       | 2,274       | 2,242       |
| Storage capacity (gallons)  | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        | 8.8M        |
| <b>WASTEWATER</b>           |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)     | 93          | 93          | 93          | 93          | 93          | 71          | 71          | 71          | 71          | 71          |
| Storm sewers (miles)        | 123         | 123         | 123         | 124         | 124         | 128         | 128         | 128         | 135         | 135         |
| Combined sewers (miles)     | 59          | 59          | 59          | 59          | 59          | 54          | 54          | 54          | 54          | 54          |

Data Source

Various village departments

**ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12**

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

**STATEMENT OF INDEBTEDNESS**

|   | Amount<br>Applicable as of<br>December 31, 2014 | As Per Cent of    |                         | Per Capita<br>2000 Census<br>54,167 |
|---|---|-------------------|-------------------------|-------------------------------------|
|   |   | Assessed<br>Value | Estimated<br>True Value |                                     |
| <b>Assessed Valuation of Taxable Real Property, 2013</b>              | <b>\$ 1,390,270,568</b> <sup>(3)</sup>          | <b>100.00%</b>    | <b>33.33%</b>           | <b>\$ 25,666.38</b>                 |
| <b>Estimated True Value of Taxable Real Property, 2013</b>            | <b>4,170,811,704</b>                            | <b>300.00%</b>    | <b>100.00%</b>          | <b>76,999.13</b>                    |
| Direct Bonded Debt payable from Property Taxes <sup>(1)</sup>         |   |                   |                         |                                     |
| Payable From Property taxes   | \$ 48,075,000                                   | 3.46%             | 1.15%                   | \$ 887.53                           |
| Self-Supporting Debt  | 3,061,927                                       | 0.22%             | 0.07%                   | 56.53                               |
| Total Direct Bonded Debt  | \$ 51,136,927                                   | 3.68%             | 1.23%                   | \$ 944.06                           |
| Overlapping Bonded Debt Payable from Property Taxes <sup>(2)</sup>    |   |                   |                         |                                     |
| Schools   | \$ 40,250,622                                   | 2.90%             | 0.97%                   | \$ 743.08                           |
| Other Than Schools  | 70,162,151                                      | 5.05%             | 1.68%                   | 1,295.29                            |
| Total Overlapping Bonded Debt   | \$ 110,412,773                                  | 7.94%             | 2.65%                   | \$ 2,038.38                         |
| Total Direct and Overlapping Bonded Debt                              | \$ 161,549,700                                  | 11.62%            | 3.87%                   | \$ 2,982.44                         |
| <b>Total Direct and Overlapping Bonded Debt Excl. Self-Supporting</b> | <b>\$ 158,487,773</b>                           | <b>11.40%</b>     | <b>3.80%</b>            | <b>\$ 2,925.91</b>                  |

- Notes: 1. The Village is a home-rule unit under the Illinois constitution and, therefore, has no debt limit nor is it required to seek referendum approval for the issuance of general obligation debt.
2. See "Detailed Overlapping Bonded Indebtedness Payable From Property Taxes at December 31, 2014".
3. The Village's 2013 equalized assessed valuation includes \$32,976,484 incremental valuation in the Village's tax increment financial district.

**RETIREMENT SCHEDULE OF OUTSTANDING VILLAGE GENERAL OBLIGATION BONDED DEBT (Note 1)  
(As of December, 31, 2014)**

| Due<br>Calendar<br>Date | Principal Maturities                    |                                      |                   | Debt Service Tax Levies |                   |
|-------------------------|---|--------------------------------------|-------------------|-------------------------|-------------------|
|                         | Source of Payments<br>Property<br>Taxes | Total Maturities<br>Annual<br>Amount | Cumul.<br>Percent | Levy<br>Year            | Property<br>Taxes |
| 2015                    | 2,470,000                               | 2,470,000                            | 5.1%              | 2014                    | 4,226,289         |
| 2016                    | 2,645,000                               | 2,645,000                            | 10.6%             | 2015                    | 4,345,176         |
| 2017                    | 2,775,000                               | 2,775,000                            | 16.4%             | 2016                    | 4,403,343         |
| 2018                    | 2,975,000                               | 2,975,000                            | 22.6%             | 2017                    | 4,511,028         |
| 2019                    | 3,240,000                               | 3,240,000                            | 29.3%             | 2018                    | 4,674,541         |
| 2020                    | 4,975,000                               | 4,975,000                            | 39.7%             | 2019                    | 5,437,818         |
| 2021                    | 4,535,000                               | 4,535,000                            | 49.1%             | 2020                    | 5,692,758         |
| 2022                    | 3,865,000                               | 3,865,000                            | 57.2%             | 2021                    | 5,774,460         |
| 2023                    | 3,345,000                               | 3,345,000                            | 64.1%             | 2022                    | 4,198,369         |
| 2024                    | 2,185,000                               | 2,185,000                            | 68.7%             | 2023                    | 2,918,869         |
| 2025                    | 2,300,000                               | 2,300,000                            | 73.4%             | 2024                    | 2,946,469         |
| 2026                    | 2,425,000                               | 2,425,000                            | 78.5%             | 2025                    | 2,976,169         |
| 2027                    | 2,550,000                               | 2,550,000                            | 83.8%             | 2026                    | 2,998,919         |
| 2028                    | 2,685,000                               | 2,685,000                            | 89.4%             | 2027                    | 3,024,981         |
| 2029                    | 1,760,000                               | 1,760,000                            | 93.0%             | 2028                    | 1,982,806         |
| 2030                    | 790,000                                 | 790,000                              | 94.7%             | 2029                    | 924,906           |
| 2031                    | 820,000                                 | 820,000                              | 96.4%             | 2030                    | 923,306           |
| 2032                    | 850,000                                 | 850,000                              | 98.2%             | 2031                    | 920,506           |
| 2033                    | 885,000                                 | 885,000                              | 100.0%            | 2032                    | 921,506           |
|                         | <u>\$48,075,000</u>                     | <u>\$48,075,000</u>                  |                   |                         |                   |

- Notes: 1. The Village is a home rule unit under the 1970 Illinois Constitution and as such has no debt limit, nor is it required to seek referendum approval for the issuance of general obligation debt. The Village had entered into five installment contracts with the Illinois EPA (excluded from the table above) to provide funding for a portion of the Village's storm water/flood control program. The remaining two installment contracts (each with semi-annual payments) have final maturities on November 1, 2017 and June 3, 2019. Total principal outstanding on the IEPA installment contracts was \$3,061,927 as of December 31, 2014. Debt service is being paid from the Village's ¼ cent home rule sales tax instituted effective September 1, 1991 for the purpose of funding the Village's \$18.6 million flood control program.

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

| Village Issue      |            | Ratio to Estimated Actual Value |                               |                           |                               | Per Capita (3)            |                               |
|--------------------|------------|---------------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
|                    |            | Direct Debt                     |                               | Direct & Overlapping Debt |                               | Direct & Overlapping Debt |                               |
|                    |            | Including Self-Supporting       | Excluding Self-Supporting (2) | Including Self-Supporting | Excluding Self-Supporting (2) | Including Self-Supporting | Excluding Self-Supporting (2) |
| Sale Date          | Amount     |                                 |                               |                           |                               |                           |                               |
| January 21, 2003   | 12,235,000 | 1.39%                           | 1.05%                         | 3.77%                     | 3.43%                         | 2,544.05                  | 2,316.16                      |
| December 15, 2006  | 10,000,000 | 0.78%                           | 0.69%                         | 2.72%                     | 2.63%                         | 2,362.39                  | 2,287.21                      |
| February 17, 2009  | 10,000,000 | 0.72%                           | 0.72%                         | 2.45%                     | 2.45%                         | 2,445.85                  | 2,445.85                      |
| December 1, 2009   | 3,430,000  | 0.70%                           | 0.70%                         | 2.47%                     | 2.47%                         | 2,749.42                  | 2,749.42                      |
| December 1, 2009   | 2,650,000  | 0.70%                           | 0.70%                         | 2.47%                     | 2.47%                         | 2,749.42                  | 2,749.42                      |
| July 29, 2011      | 4,100,000  | 0.60%                           | 0.60%                         | 2.80%                     | 2.80%                         | 2,921.82                  | 2,921.82                      |
| July 29, 2011      | 5,160,000  | 0.60%                           | 0.60%                         | 2.80%                     | 2.80%                         | 2,921.82                  | 2,921.82                      |
| January 3, 2012    | 2,975,000  | 0.60%                           | 0.60%                         | 2.80%                     | 2.80%                         | 2,921.82                  | 2,921.82                      |
| September 10, 2013 | 9,800,000  | 0.92%                           | 0.92%                         | 3.42%                     | 3.42%                         | 3,042.80                  | 3,043.80                      |
| February 4, 2014   | 6,279,000  | 1.13%                           | 1.09%                         | 3.74%                     | 3.71%                         | 3,253.40                  | 3,223.59                      |

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

## EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES (Note 1)

| Tax Levy Year (2) | Real Property                       |                            |                                   |                          |
|-------------------|-------------------------------------|----------------------------|-----------------------------------|--------------------------|
|                   | Net For General Taxing Purposes (3) | Plus Incremental Valuation | Total For All Taxing Purposes (4) | Increase Over Prior Year |
| 2008              | 1,979,496,030                       | 48,422,280                 | 2,027,918,310                     | 5.8%                     |
| 2009              | 2,017,411,353                       | 47,418,968                 | 2,064,830,321                     | 1.8%                     |
| 2010              | 1,834,680,507                       | 48,715,123                 | 1,883,395,630                     | (8.8%)                   |
| 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%)                  |

- Notes:
- Property in Cook County is separated into two primary classifications for assessment purposes (10% for residential and 25% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established—tax rates are applied to the equalized valuation.
  - Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2013.
  - Excludes four categories of exemptions: the Senior Citizens' Homestead Exemption; the General Homestead Exemption; the Senior Citizens' Tax Freeze Homestead Exemption and the Long-Term Homeowner Exemption.
  - The Village's tax rate is calculated based on the village's Net Equalized Assessed Valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the County Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

**DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES AT  
DECEMBER 31, 2014**

| SCHOOL DISTRICTS:                               | Percent of<br>Village's 2014<br>Real Property<br>in Taxing Body | Gross<br>Bonded Debt | Village's Applicable Share<br>of Gross Debt to be<br>Paid From Property Taxes (1) |            |
|---|---|----------------------|---|------------|
|   |   |                      | Percent   | Amount     |
| <b>Elementary Districts:</b>                    |   |                      |   |            |
| Mount Prospect No. 57                           | 34.8%   | 7,045,000            | 94.988%   | 6,691,905  |
| River Trails No. 26                             | 28.2%   | 10,610,000           | 77.929%   | 8,268,267  |
| Community Consolidated No. 59                   | 27.7%   | 5,540,000            | 14.489%   | 802,691    |
| Wheeling Community Consolidated No. 21          | 3.5%  | 40,805,000           | 3.003%  | 1,225,374  |
| Prospect Heights No. 23                         | 2.9%  | 9,940,000            | 7.542%  | 749,675    |
| Arlington Heights No. 25                        | 2.8%  | -                    | 2.684%  | -          |
| <b>High School Districts:</b>                   |   |                      |   |            |
| Wheeling/Elk Grove No. 214                      | 99.8%   | 42,800,000           | 18.254%   | 7,812,712  |
| Maine Township No. 207                          | 0.2%  | 8,570,000            | 0.063%  | 5,399      |
| <b>Community Colleges:</b>                      |   |                      |   |            |
| Oakton No. 535                                  | 0.2%  | 35,370,000           | 0.013%  | 4,598      |
| Harper No. 512                                  | 99.8%   | 166,045,000          | 8.847%  | 14,690,001 |
| Total Schools                                   |   |                      |   | 40,250,622 |
| <b>OTHER THAN SCHOOL DISTRICTS:</b>             |   |                      |   |            |
| Cook County, Including Forest Preserve District | 100.0%  | 3,771,515,000        | 1.080%  | 40,732,362 |
| Metropolitan Water Reclamation District         | 100.0%  | 2,394,997,000        | 1.102%  | 26,392,867 |
| <b>Park Districts:</b>                          |   |                      |   |            |
| Mount Prospect                                  | 64.3%   | 4,297,000            | 63.648%   | 2,734,955  |
| Arlington Heights                               | 2.5%  | 13,205,000           | 1.609%  | 212,468    |
| Des Plaines                                     | 1.6%  | 5,457,240            | 1.640%  | 89,499     |
| Prospect Heights                                | 3.6%  | -                    | 15.274%   | -          |
| Total Other Than Schools                        |   |                      |   | 70,162,151 |

Notes: 1. Village's share based upon 2013 Real Property valuations.

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

| Village of Mount Prospect:                      | Levy Years |          |          |          |           |
|---|------------|----------|----------|----------|-----------|
|   | 2009       | 2010     | 2011     | 2012     | 2013      |
| <b>Bonds and Interest</b>                       | \$ 0.076   | \$ 0.098 | \$ 0.105 | \$ 0.113 | \$ 0.167  |
| <b>Pensions (Police, Fire)</b>                  | 0.190      | 0.257    | 0.278    | 0.316    | 0.393     |
| <b>Corporate</b>                                | 0.399      | 0.377    | 0.444    | 0.501    | 0.689     |
| <b>Garbage</b>                                  | 0.089      | 0.097    | 0.109    | 0.121    | 0.026     |
| <b>Total Village</b>                            | \$ 0.754   | \$ 0.829 | \$ 0.936 | \$ 1.051 | \$ 1.275  |
| Cook County, Including Forest Preserve District | 0.443      | 0.474    | 0.520    | 0.594    | 0.629     |
| Metropolitan Water Reclamation District         | 0.261      | 0.274    | 0.320    | 0.370    | 0.417     |
| Mount Prospect Park District                    | 0.411      | 0.453    | 0.502    | 0.557    | 0.657     |
| Mount Prospect Public Library                   | 0.450      | 0.519    | 0.582    | 0.646    | 0.761     |
| Special Service Area No. 5                      | 0.095      | 0.105    | 0.114    | 0.122    | 0.140     |
| Community Consolidated School District No. 59   | 1.945      | 2.129    | 2.422    | 2.673    | 3.172     |
| Township High School District No. 214           | 1.636      | 1.839    | 2.067    | 2.324    | 2.768     |
| Harper College No. 512                          | 0.258      | 0.295    | 0.334    | 0.373    | 0.444     |
| All Other                                       | 0.093      | 0.080    | 0.116    | 0.103    | 0.155     |
| <b>Total (2)</b>                                | \$ 6.346   | \$ 6.997 | \$ 7.913 | \$ 8.813 | \$ 10.418 |
| Village as a Percent of Total                   | 11.9%      | 11.8%    | 11.8%    | 11.9%    | 12.2%     |

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

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

| Levy<br>Year | Collection<br>Year | Total Taxes<br>Extended | Total Taxes Collected as<br>of December 31, 2014 (Note 1) |             |
|--------------|--------------------|-------------------------|---|-------------|
|              |                    |                         | Amount  | Percent (2) |
| 2009         | 2010               | 15,194,636              | 14,806,368  | 97.44%      |
| 2010         | 2011               | 15,194,635              | 14,965,565  | 98.49%      |
| 2011         | 2012               | 15,852,352              | 15,657,261  | 98.77%      |
| 2012         | 2013               | 16,477,871              | 16,411,869  | 99.60%      |
| 2013         | 2014               | 17,301,436              | 17,064,355  | 98.63%      |

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

**TEN LARGEST TAXPAYERS**

| Rank | Taxpayer                   | Business/Properties      | Equalized<br>Assessed<br>Valuation (1) | Percent of<br>Village (2) |
|------|----------------------------|--------------------------|--|---------------------------|
| 1    | Ramco Gershenson Prop      | Shopping Center          | \$ 21,401,661                          | 1.58%                     |
| 2    | Randhurst Casto Conger     | Shopping Center          | 21,120,282                             | 1.56%                     |
| 3    | Golf Plaza I & II          | Shopping Center          | 13,485,708                             | 0.99%                     |
| 4    | Home Properties Colony     | Colony Square Apartments | 10,287,164                             | 0.76%                     |
| 5    | CRP Holdings               | Real Estate              | 9,899,919                              | 0.73%                     |
| 6    | LIT Industrial Limited     | Real Estate              | 7,501,215                              | 0.55%                     |
| 7    | First Industrial           | Real Estate              | 7,474,259                              | 0.55%                     |
| 8    | Costco Properties          | Warehouse Store          | 7,117,196                              | 0.52%                     |
| 9    | Cummins-Allison Corp.      | Manufacturing            | 7,044,662                              | 0.52%                     |
| 10   | Kensington Business Center | Real Estate              | 7,022,165                              | 0.52%                     |
|      |                            |                          | <u>\$ 112,354,231</u>                  | <u>8.28%</u>              |

- Notes:
1. Valuations as of January 1, 2013 for 2014 tax purposes.
  2. Total 2013 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,390,270,568.



## 2007 AND 2013 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION\*

| Classification | Village of Mount Prospect |               |            |                  |         |
|----------------|---------------------------|---------------|------------|------------------|---------|
|                | Taxable Valuation         |               |            | Percent of Total |         |
|                | 2007                      | 2013          | % Increase | 2007             | 2013    |
| Residential    | 1,227,488,556             | 948,371,026   | -22.74%    | 65.63%           | 69.87%  |
| Commercial     | 412,588,412               | 272,696,503   | -33.91%    | 22.06%           | 20.09%  |
| Industrial     | 229,739,726               | 135,438,749   | -41.05%    | 12.28%           | 9.98%   |
| Railroad       | 508,622                   | 787,806       | 54.89%     | 0.03%            | 0.06%   |
| Total          | 1,870,325,316             | 1,357,294,084 | -27.43%    | 100.00%          | 100.00% |

\* Excludes the incremental valuation in the Village's tax increment financing district (classified as commercial valuation). A breakdown by property classification of the Village's levy year 2014 valuation is not available as of the date of this report.

### GENERAL FUND (Note 1)

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

|  | Actual        |               |               |               | 2014          |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2010          | 2011          | 2012          | 2013          | Budget        | Actual        |
| <b>Revenues:</b>                       |               |               |               |               |               |               |
| Property Taxes                         | 11,719,530    | 11,596,829    | 12,099,210    | 12,645,791    | 14,464,000    | 14,392,732    |
| Sales Taxes                            | 10,388,196    | 11,809,779    | 12,252,909    | 13,627,166    | 14,617,000    | 14,640,814    |
| State Income Taxes                     | 4,428,176     | 4,328,196     | 4,759,513     | 5,161,051     | 5,185,000     | 5,186,155     |
| Licenses, Permits & Fees               | 3,394,211     | 3,356,816     | 3,657,586     | 3,589,368     | 2,523,500     | 2,496,760     |
| Utility Taxes                          | 5,709,895     | 4,624,678     | 4,658,265     | 4,658,265     | 3,951,000     | 4,093,598     |
| Charges for Service                    | 1,655,275     | 1,694,638     | 1,741,906     | 1,858,829     | 1,939,700     | 1,928,223     |
| Fines & Forfeits                       | 556,178       | 548,993       | 403,036       | 430,960       | 480,000       | 470,466       |
| Investment Income                      | 43,540        | 23,067        | 29,927        | 6,561         | 22,500        | (64,978)      |
| Food & Beverage Tax                    | 790,965       | 867,630       | 710,328       | 719,190       | 810,000       | 738,642       |
| Real Estate Transfer Tax               | 379,942       | 363,194       | 515,330       | 853,617       | 955,000       | 954,644       |
| All Other Revenues                     | 1,646,416     | 1,959,168     | 1,789,713     | 1,445,740     | 2,441,366     | 2,450,829     |
| Total Revenues                         | \$ 40,712,324 | \$ 41,172,988 | \$ 42,617,723 | \$ 44,996,538 | \$ 47,389,066 | \$ 47,287,885 |
| <b>Expenditures:</b>                   |               |               |               |               |               |               |
| <b>General Government</b>              |               |               |               |               |               |               |
| Public Representation Division         | 155,765       | 108,809       | 110,257       | 114,948       | 135,522       | 142,574       |
| Village Manager's Office               | 2,842,920     | 2,939,764     | 3,106,851     | 3,185,452     | 3,320,958     | 3,166,149     |
| Finance Department                     | 1,571,136     | 1,561,758     | 1,505,295     | 1,843,581     | 2,094,374     | 2,007,010     |
| Community Development - Administration | 625,171       | 628,017       | 644,281       | 661,459       | 737,996       | 673,549       |
| Benefit Payments                       | 45,724        | 45,861        | 46,004        | 46,150        | 46,301        | 46,300        |
| Total General Government               | \$ 5,240,716  | \$ 5,284,209  | \$ 5,412,688  | \$ 5,851,590  | \$ 6,335,151  | \$ 6,035,582  |
| <b>Public Safety:</b>                  |               |               |               |               |               |               |
| Code Enforcement                       | 909,852       | 837,639       | 739,004       | 711,081       | 876,610       | 880,723       |
| Police Department                      | 14,512,406    | 14,657,035    | 15,286,394    | 15,783,921    | 16,817,251    | 16,578,937    |
| Fire & Emergency Protection Department | 11,443,146    | 11,448,614    | 11,946,079    | 12,678,986    | 13,202,787    | 13,166,937    |
| Total Public Safety                    | \$ 26,865,404 | \$ 26,943,288 | \$ 27,971,477 | \$ 29,173,988 | \$ 30,896,648 | \$ 30,626,597 |
| Highways & Streets                     | 5,925,170     | 6,587,426     | 6,307,158     | 7,342,643     | 7,834,954     | 7,500,480     |
| Health                                 | 125,512       | 137,445       | 143,295       | 142,062       | 158,190       | 151,586       |
| Welfare                                | 1,573,887     | 1,487,707     | 1,624,282     | 1,569,824     | 1,665,972     | 1,585,083     |
| Culture & Recreation                   | 313,125       | 346,032       | 399,366       | 435,931       | 505,799       | 421,517       |
| Net Transfers (In)/Out                 | 450,000       | -             | -             | 166,247       | -             | -             |
| Total Expenditures                     | \$ 40,493,814 | \$ 40,786,107 | \$ 41,858,266 | \$ 44,682,285 | \$ 47,396,714 | \$ 46,320,845 |
| Revenues Over (Under) Expenditures     | \$ 218,510    | \$ 386,881    | \$ 759,457    | \$ 314,253    | \$ (7,648)    | \$ 967,040    |
| Ending Fund Balance                    | \$ 10,417,991 | \$ 10,804,872 | \$ 11,564,329 | \$ 11,878,582 | \$ 11,870,934 | \$ 12,845,622 |

## Balance Sheet – December 31

| Assets:                          | 2010          | 2011          | 2012          | 2013          | 2014          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash & Investments               | \$ 4,067,456  | \$ 5,512,091  | \$ 7,352,604  | \$ 6,886,656  | \$ 6,879,252  |
| Receivables                      |               |               |               |               |               |
| Property Taxes                   | 12,668,700    | 12,125,463    | 12,657,923    | 14,543,097    | 15,160,497    |
| Other Taxes                      | 5,553,370     | 5,707,230     | 5,290,786     | 5,711,586     | 5,747,674     |
| All Other                        | 484,576       | 461,664       | 448,569       | 492,912       | 468,180       |
| Due From Other Funds             | 1,563,298     | 568,815       | 91,318        | 212,603       | 154,882       |
| Due From Other Governments       | 409,880       | 94,142        | 274,942       | 53,602        | 136,834       |
| All Other Assets                 | 53,536        | 100,590       | 98,150        | 297,762       | 337,165       |
| Total Assets                     | \$ 24,800,816 | \$ 24,569,995 | \$ 26,214,292 | \$ 28,198,218 | \$ 28,884,484 |
| <br>                             |               |               |               |               |               |
| Liabilities & Fund Balance       |               |               |               |               |               |
| Accounts Payable                 | \$ 669,697    | \$ 530,670    | \$ 621,570    | \$ 334,043    | \$ 216,535    |
| Deferred Revenues                |               |               |               |               |               |
| Property Taxes                   | 11,392,567    | 11,991,724    | 12,554,622    | 14,396,036    | 15,138,046    |
| All Other Liabilities            | 2,320,561     | 1,242,729     | 1,473,771     | 1,589,557     | 684,281       |
| Fund Balance:                    |               |               |               |               |               |
| Nonspendable                     | 53,536        | 100,590       | 98,150        | 297,762       | 337,165       |
| Restricted                       | -             | -             | -             | -             | -             |
| Committed                        | -             | -             | -             | -             | -             |
| Unassigned                       | 10,364,455    | 10,704,282    | 11,466,179    | 11,580,820    | 12,508,457    |
| Total Fund Balance               | \$ 10,417,991 | \$ 10,804,872 | \$ 11,564,329 | \$ 11,878,582 | \$ 12,845,622 |
| Total Liabilities & Fund Balance | \$ 24,800,816 | \$ 24,569,995 | \$ 26,214,292 | \$ 28,198,218 | \$ 28,884,484 |

- Notes: 1. This condensed financial information for the years ending December 31, 2010-2014 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the Village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

**COMBINED STATEMENT—ALL FUNDS (Note 1)**

**Fund Balances 2010-2013 and Summary 2014 Revenues, Excess Revenues and Fund Balance  
(Fiscal Years Ended December 31)**

|   | Fiscal Year Ended December 31, 2014 |                |                |                |                         |                |   |                 |
|---|-------------------------------------|----------------|----------------|----------------|-------------------------|----------------|---|-----------------|
|   | 2010                                | 2011           | 2012           | 2013           | Revenue Incl. Transfers |                | Revenue Over<br>(Under)<br>Expenditures | Fund<br>Balance |
|   |                                     |                |                |                | Property<br>Tax         | Total          |   |                 |
| <b>Governmental Fund Types (2):</b>           |                                     |                |                |                |                         |                |   |                 |
| General Fund *                                | \$ 10,417,991                       | \$ 10,804,872  | \$ 11,564,329  | \$ 11,878,582  | \$ 14,392,732           | \$ 47,287,885  | \$ 967,040                              | \$ 12,845,622   |
| Special Revenue Funds:                        |                                     |                |                |                |                         |                |   |                 |
| Motor Fuel Tax                                | \$ (230,294)                        | \$ 336,394     | \$ 509,470     | \$ 338,861     | \$ -                    | \$ 1,849,722   | \$ 1,058,504                            | \$ 1,397,365    |
| Community Development Block Grant             | -                                   | -              | -              | -              | -                       | 280,182        | -                                       | -               |
| Refuse Disposal *                             | 2,261,635                           | 2,146,149      | 2,355,748      | 2,445,117      | 342,000                 | 3,646,133      | (792,308)                               | 1,652,809       |
| Asset Seizure                                 | 60,205                              | 54,000         | 40,479         | 42,659         | -                       | 49,055         | 41,016                                  | 83,675          |
| DEA shared Funds                              | 16,749                              | 4,909          | 4,919          | 11,514         | -                       | 24,657         | 8,424                                   | 19,938          |
| DUI Fines                                     | 41,302                              | 44,132         | 55,431         | 65,287         | -                       | 38,560         | 35,793                                  | 101,080         |
| Foreign Fire Tax Fund                         | 116,134                             | 171,030        | 227,346        | 273,346        | -                       | 67,680         | 14,631                                  | 287,977         |
| Justice Assistant Grant Fund                  | -                                   | 10,203         | 835            | -              | -                       | -              | -                                       | -               |
| Business District Fund                        | -                                   | 77,195         | 434,120        | 83             | -                       | 1,014,353      | (83)                                    | -               |
| Total Special Revenue                         | \$ 2,265,731                        | 2,844,012      | 3,628,348      | 3,176,867      | \$ 342,000              | \$ 6,970,342   | 365,977                                 | 3,542,844       |
| Debt Service *                                | (78,844)                            | 131,372        | 135,817        | 121,491        | 2,237,000               | 4,912,449      | 10,144                                  | 131,635         |
| Capital Projects (3)                          | 4,531,304                           | 3,559,985      | 7,530,930      | 15,705,506     | 2,311,740               | 7,570,828      | 2,080,065                               | 17,785,571      |
| Total Governmental                            | \$ 17,136,182                       | \$ 17,340,241  | \$ 22,859,424  | \$ 30,882,446  | \$ 19,283,472           | \$ 66,741,504  | \$ 3,423,226                            | \$ 34,305,672   |
| <b>Proprietary &amp; Fiduciary Fund Types</b> |                                     |                |                |                |                         |                |   |                 |
| Enterprise Funds (4):                         |                                     |                |                |                |                         |                |   |                 |
| Water and Sewer *                             | \$ 31,469,468                       | 31,708,474     | 33,055,996     | 34,086,453     | \$ 1,508,704            | \$ 12,053,251  | \$ 153,951                              | 34,240,404      |
| Village Parking System                        | 352,594                             | 351,986        | 331,280        | 323,832        | -                       | 355,570        | 25,582                                  | 349,414         |
| Internal Service Funds (5)                    | 14,308,173                          | 13,484,444     | 13,420,662     | 14,587,299     | -                       | 11,400,788     | 1,210,310                               | 15,797,609      |
| Pension Trust Funds:                          |                                     |                |                |                |                         |                |   |                 |
| Police Pension                                | 44,540,311                          | 44,777,147     | 48,922,651     | 55,375,975     | -                       | 7,621,451      | 3,443,949                               | 58,819,924      |
| Firefighter's Pension                         | 43,860,979                          | 43,864,977     | 47,233,555     | 53,716,416     | -                       | 7,073,801      | 2,851,924                               | 56,568,340      |
| Total Proprietary & Fiduciary                 | \$ 134,531,525                      | \$ 134,059,623 | \$ 142,964,144 | \$ 158,089,975 | \$ 1,508,704            | \$ 38,504,861  | \$ 7,685,716                            | \$ 165,775,691  |
| Total All Funds (Memo Only)                   | \$ 151,667,707                      | \$ 151,399,864 | \$ 165,823,568 | \$ 188,972,421 | \$ 20,792,176           | \$ 105,246,365 | \$ 11,108,942                           | \$ 200,081,363  |
| * Designated as major funds.                  |                                     |                |                |                |                         |                |   |                 |
| <b>Cash &amp; Investments at 12/31 (6):</b>   | 2010                                | 2011           | 2012           | 2013           | 2014                    |                |   |                 |
| General Fund                                  | \$ 4,067,456                        | \$ 5,512,091   | \$ 7,352,604   | \$ 6,886,656   | \$ 6,879,252            |                |   |                 |
| Internal Service Funds                        | 9,720,037                           | 10,014,605     | 9,567,402      | 10,830,350     | 10,476,211              |                |   |                 |
| Refuse Disposal                               | 1,885,464                           | 1,969,567      | 2,022,049      | 2,231,180      | 1,365,133               |                |   |                 |
| Other Special Revenue Funds                   | 258,648                             | 592,878        | 1,179,343      | 1,575,858      | 2,716,735               |                |   |                 |
| Debt Service Funds                            | 438,301                             | -              | 20,636         | 113,267        | 130,210                 |                |   |                 |
| Subtotal                                      | \$ 16,369,906                       | \$ 18,089,141  | \$ 20,142,034  | \$ 21,637,311  | \$ 21,567,541           |                |   |                 |
| Capital Project Funds                         | 3,635,004                           | 3,221,653      | 6,657,075      | 15,487,737     | 16,290,597              |                |   |                 |
| Water & Sewer                                 | 3,148,880                           | 2,709,629      | 4,356,739      | 5,382,441      | 4,697,147               |                |   |                 |
| Other Enterprise Funds                        | 369,051                             | 330,277        | 345,528        | 316,808        | 300,258                 |                |   |                 |
| Pension Trust Funds                           | 87,488,289                          | 88,669,220     | 95,892,376     | 108,760,597    | 115,091,487             |                |   |                 |
| Other Fiduciary Funds                         | 1,226,743                           | 1,189,052      | 1,443,227      | 1,511,610      | 1,209,488               |                |   |                 |
| Total   | \$ 112,237,873                      | \$ 114,208,972 | \$ 128,836,979 | \$ 153,096,504 | \$ 159,156,518          |                |   |                 |

Notes: 1. This condensed financial information for the years ending December 31, 2010-2014 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets; expenditures are recognized when the related fund liability is incurred. All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. This table excludes the Village's Expendable Trust Funds and Agency Funds. The Village's Comprehensive Annual Financial Report for the year ended December 31, 2014 included an unqualified "Independent Auditor's Report". Similar unqualified opinions were included in the Village's Comprehensive Annual Financial Reports for the years ending December 31, 2010-2013. The "Independent Auditor's Report" included in the latest audit states, in part:

***"In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America."***

- The Village's property tax revenue recognition policy conforms to the provisions of "NCGA Interpretation 3, Revenue Recognition Property Taxes." The current net tax levy receivable is recognized in the balance sheet along with a corresponding amount of deferred revenue. In addition, the debt service payments and liabilities related to the current net tax levy are not reflected in the Debt Service Funds; the un-matured principal is reflected in the General Long-Term Debt Account Group.
- Includes the Capital Improvement Fund, which accounts for the resources used to provide for mid-sized capital projects. Financing is provided by one-quarter cent home rule sales tax, developer contributions, interfund transfers, investment income, and bond proceeds.
- Fund balances shown for the Enterprise Funds are total fund equity, including contributed capital and retained earnings, and the column "Revenue Over Expenditures" represents the change in that amount.
- The Village created a Risk Management Fund in 1984 to account for the servicing and payment of claims for liability, property, casualty coverage and Workers' Compensation. Financing is provided by charges to the various Village funds. The Village created a Vehicle Replacement Fund in fiscal year 1991 to account for the acquisition and depreciation of Village vehicles. Financing is provided by charges to the General, Water and Sewer, and Parking Funds. The Village created a Vehicle Maintenance Fund in 1996 to account for maintenance and repair of all Village vehicles except Fire Department vehicles. In 1997, the Village created a Computer Replacement Fund to account for the acquisition and depreciation of Village computer hardware.

6. Excludes agency funds.

**CAPITAL ASSETS (Note)**  
**(December 31, 2014)**

|   | Governmental<br>Activities |   | Business Type<br>Activities |
|---|----------------------------|---|-----------------------------|
| Capital Assets Not Being Depreciated        |                            | Capital Assets Not Being Depreciated        |                             |
| Land  | \$ 10,291,446              | Land  | \$ 17,551,172               |
| Construction in Progress                    | \$ 1,176,816               | Construction in Progress                    | \$ 605,282                  |
| Total Assets Not Being Depreciated          | <u>\$ 11,468,262</u>       | Total Assets Not Being Depreciated          | <u>\$ 18,156,454</u>        |
| Capital Assets Being Depreciated            |                            | Capital Assets Being Depreciated            |                             |
| Buildings                                   | \$ 38,009,332              | Buildings and Improvements                  | \$ 4,875,816                |
| Improvements Other Than Buildings           | 384,000                    | Equipment                                   | 4,062,242                   |
| Infrastructure and All Other                | <u>101,795,351</u>         | Infrastructure                              | <u>18,884,820</u>           |
| Total Capital Assets Being Depreciated      | <u>\$ 140,188,683</u>      | Total Capital Assets Being Depreciated      | <u>\$ 27,822,878</u>        |
| Less Accumulated Depreciation               | <u>\$ 81,254,687</u>       | Less Accumulated Depreciation               | <u>\$ 19,124,365</u>        |
| Total Capital Assets Being Depreciated, Net | \$ 58,933,996              | Total Capital Assets Being Depreciated, Net | \$ 8,698,513                |
| Net Assets                                  | \$ 70,402,258              | Net Assets                                  | \$ 26,854,967               |

Note: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$20,000, except for infrastructure for which the cost is \$50,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.