

# VILLAGE OF MOUNT PROSPECT ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2015

Prepared by: Finance Department

David O. Erb  
Finance Director/Treasurer

Lynn M. Jarog  
Deputy Finance Director

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**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**PRINCIPAL OFFICIALS**

December 31, 2015

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**LEGISLATIVE**

Arlene A. Juracek, Mayor

Paul Wm. Hoefert

Steven S. Polit

Colleen E. Saccotelli

Richard F. Rogers

John J. Matuszak

Michael A. Zadel

**ADMINISTRATIVE**

Michael J. Cassady, 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

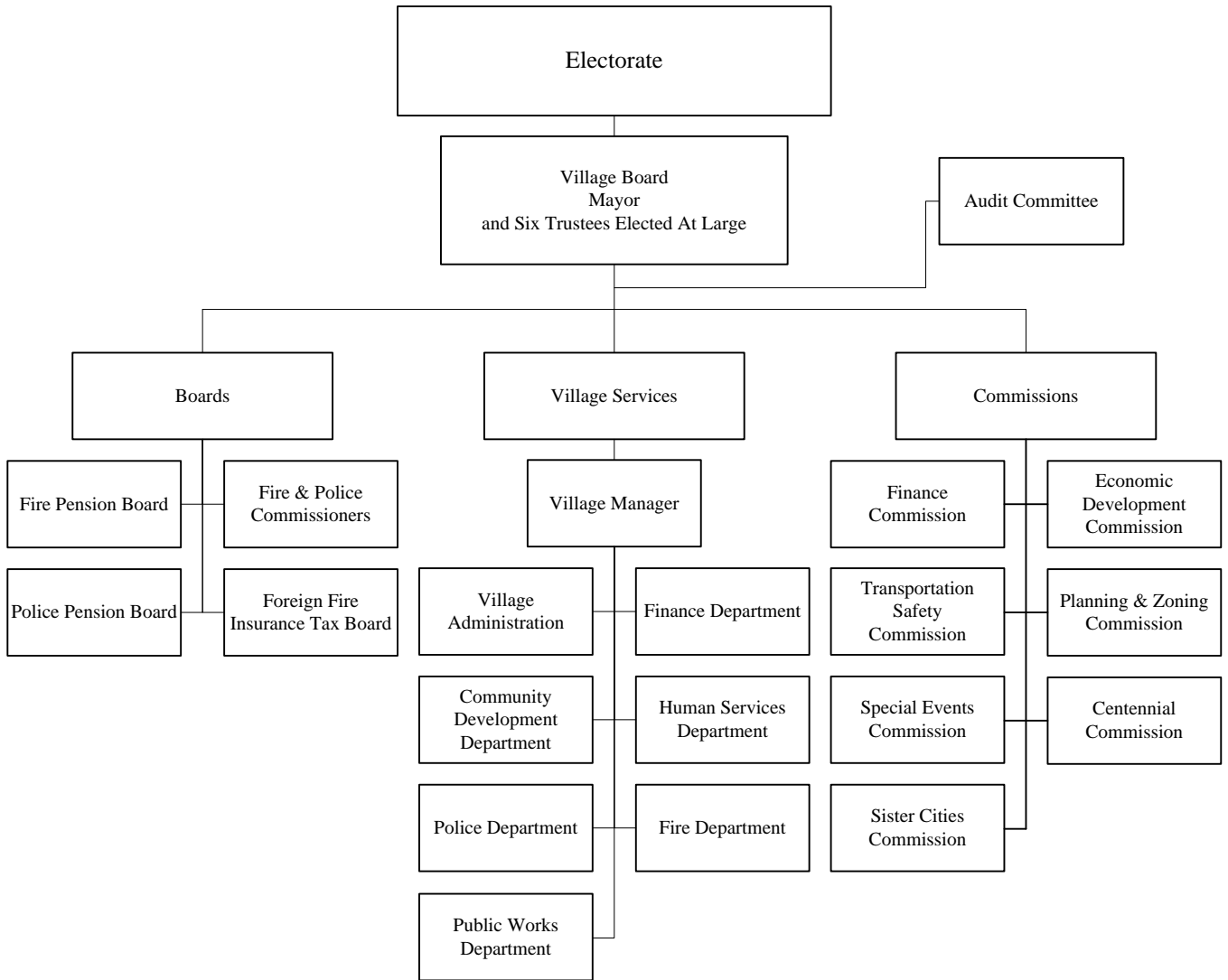
Brian Lambel, Interim Fire Chief

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



**VILLAGE MANAGER**  
Michael J. Cassady

**VILLAGE CLERK**  
M. Lisa Angell

Phone: 847/392-6000  
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[www.mountprospect.org](http://www.mountprospect.org)

# Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

July 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Mount Prospect, Illinois for the fiscal year ended December 31, 2015 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, 2015, 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, 2015 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-July each year. Revenue estimates are completed by the Finance Department in preparation for departmental budget reviews with the Village Manager and Finance Director in early August. Initial budget requests are compiled by the end of 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 joint workshops are held with members of the Village Board and Finance Commission 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 reflecting initiatives found in the Village's Strategic Plan 2020 and commitment to ensuring 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. A departmental listing of significant projects and activities are discussed below:

## **COMMUNITY DEVELOPMENT DEPARTMENT**

- The Village continues to see significant activity in economic development throughout the community. The Community Development Department actively marketed properties in downtown district and permits have been issued for three new restaurants. Trezeros Kitchen and Tap will be occupying the former Jake's Pizza location (302 W. Northwest Highway). In addition, Tokens and Tankards (18 E. Busse) and Bar 145 (34 S. Main) have located in the small triangle district on Busse Avenue.
- The Department reviewed and recommended approval of a townhome planned unit development on the vacant site located on Elmhurst Avenue adjacent to the Post Office. Staff obtained a demolition order to address a long-standing vacant Central Plaza shopping center located at the northwest corner of Central Road and Main Street. Contracts were awarded for the demolition and environmental clean-up of the property. The Village will ultimately pursue foreclosure proceedings on the property once a full **No Further Remediation Letter** is obtained from the Illinois Environmental Protection Agency. Once completed, the property will be available for redevelopment on this highly visible corner in the downtown district.
- The Department also worked with property owners and commercial brokers to occupy vacant spaces/buildings located in the Kensington Business Center (KBC). In 2015, the vacancy rate in KBC dropped to 14%, the lowest rate in over a decade. The Village supported two applications for Class 6B property classifications to encourage the occupancy of the KBC during 2015. The Village welcomed Novomatic, Atlas Material Testing, Netrix and GoGo as new tenants in the KBC and assisted CVS/Caremark, R & B Foods and NeuroRestorative on expansions of their facilities.
- Randhurst Village welcomed several new restaurant tenants during the year, reducing the center's vacancy rate to three percent (3%). New tenants included Smokey Bones, Truco Tacqueria and Outback Steakhouse. Menards completed their garden center addition expansion and will soon be undertaking a warehouse addition that is expected to be completed in 2016. Permits were issued to construct a McDonald's restaurant on the old Baker's Square property (100 W. Rand) and for two new mattress firms (1020 E. Central and 2 E. Rand).

## **HUMAN SERVICES DEPARTMENT**

- The Department continued meeting its mission of improving the health and well-being of the people and community it serves through the provision of nursing and social services in 2015. A diabetes support group, offered in both English and Spanish, was started in 2015 by the Village nurse.
- The Community Connections Center coordinator and the Mount Prospect Public Library collaborated on a new program which is offered to preschool age children on a weekly basis. Social Service staff members continue to provide crisis intervention services and responded to multiple fires to assist displaced residents.
- The Police Counselor was active in court throughout the year providing court advocacy services to domestic violence victims. Administrative support staff re-organized the department network drive, updated the Human Services Department website page and updated the Department service brochure. The Department also participated in various community events throughout the year including National Night Out, Jewel Community Days, Hersey High School Community Resource Fair, Harper Resource Fair and Senior Celebration. The Department continues to place an emphasis on training, and various staff members received training in Elder Law, Medicare, Leadership, Accessing Medical Benefits, Disability Benefits, Ethics and the Law and training through the National Alliance for the Mentally Ill.

## **POLICE DEPARTMENT**

- The Department continued meeting its mission of providing quality law enforcement services to our citizens with pride, integrity, and professionalism. 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 Crime Prevention Unit expanded the Department's presence on social media, actively disseminating Department information on Facebook, Twitter, and YouTube through a series of podcast messages. The Department continued to engage the community with its Citizen's Police Academy, "Kickin' it with the Cops," and National Night Out events. The Police Department also continued its community outreach initiatives through its participation in the Special Olympics annual "Cop on Top" and Torch Run events.
- 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 intervention training (CIT), and advanced management training for the Department's leadership team.
- As part of the Department's Capital Improvement Plan, the Department installed a new state-of-the-art target carrier system in the Department's Pistol Range that is used extensively for weapons and tactics training for all sworn personnel. The Department also deployed a rigorous recruiting program to showcase the career opportunities available to prospective police applicants and conducted a recruit testing process.

## **FIRE DEPARTMENT**

- The Department was awarded a SAFER (Staffing for Adequate Fire and Emergency Response) Grant from FEMA. The grant funds will allow the Village to hire 6 additional firefighters to restore staffing back up to pre-2011 levels. After being out of service since 2011, Engine 13 will be back in full service in 2016. The village EMS Coordinator was able to get 25 paramedics re-licensed this year. In addition, it began developing an Active Shooter Protocol in conjunction with the Police Department. This will prepare paramedics for entering and treating patients in the 'warm zone'. Helmets and ballistic vests will be utilized for safety, and the paramedics will be escorted by armed police officers.
- The Department's EMS Coordinator also assisted in the development an infection control plan for the Police Department. In addition, Tdap vaccinations for the Fire Department and Police Department were administered in response to the pertussis outbreaks. A plan is now in place for large scale vaccinations should there be an exposure risk event. In May, over 2,000 Mount Prospect children attended our 35<sup>th</sup> annual Children's Fire and Safety Festival. Finally, the Fire Prevention Bureau developed and distributed apartment fire safety pamphlets to all Mount Prospect apartment complexes.

## **PUBLIC WORKS DEPARTMENT**

- The Village's Street Improvement Program completed the resurfacing of 6.8 miles of local streets during 2015. A streets funding plan approved in 2013 allows the Village to keep pace with the annual program. All local streets within the village would be resurfaced over a 20-year period under the current program avoiding the need for the more costly full street reconstruction project.



- The Village anticipates significant completion of the Isabella Street sewer improvements in 2015 that included the installation of large diameter relief sewer with the intended benefit of providing properties protection up to a 25 year rain event level. These Flood Control improvements were funded through a \$10 million bond sale in 2013.
- 2015 saw significant activity of the Village's Urban Forest. The department received the Growth Award for the 13<sup>th</sup> time. Staff completed scheduled tree trimming of approximately 4,600 trees maintaining the Village's five (5) year tree trimming cycle. There were 950 unhealthy trees removed in a timely manner avoiding costly private property damage from falling branches. The department also planted 1,040 trees of varying species to maintain a diversified urban forest and achieved the ratio of one tree planting for every tree removal for this past year. It also planted approximately 9,900 flowers and continued ongoing management of landscape maintenance and turf mowing contracts.
- Work performed on the village's Water and Sewer System included the installation of the new Automated Meter Reading system by completing the conversion of all 11,000 Village water accounts. Completed the replacement of approximately 2,000 lineal feet of water main during the year which included the upsizing of water main along Evergreen, east of the elevated tank, and Maple Street between Evergreen and Busse Avenue. The department also completed the Combined Sewer System Evaluation study making a recommendation to the Village Board that included an estimated \$15 million in sewer improvements over the next 10 – 15 years. Successfully completed the installation of emergency standby power for Water Booster Station 11. Also completed the first year Illinois Environmental Protection Agency testing for Unregulated Contaminant Monitoring Rule (UCMR3).

All Departments have continued to perform extremely well and deliver high quality services during the economic recovery period and reaching out to residents that need additional attention, such as seniors and lower income residents. We also endeavor to keep the community informed through the continual evolution of our cable television channels, web site, newsletter, numerous publications, local newspaper press releases, and the use of social media venues. The Village's Annual Budget and CAFR Documents were again recognized for their clarity and usability and Mount Prospect was recognized as Tree City U.S.A. for the 30<sup>th</sup> consecutive year.

### **Factors Affecting Financial Condition**

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

**Local economy.** The Village continued to see a strengthening economy during 2015. 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, 2015 were \$15,126,650 compared to \$13,285,441 for the previous year, an increase of 13.9%. 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 \$1.5 billion for 2015. The Village projects that this revenue source will increase 3.0% during 2016 and 2017. 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 2015 was 4.3%. This was a decrease from the prior year of 120 basis points (5.5% in 2014). 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 120 basis points from 7.1% to 5.9% during the same period while the rate for U.S. decreased 90 basis points from 6.2% to 5.3%. 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 between 2004 and 2015. During the 2015 workshop, financial status reports were provided for end-of-year results for 2014, updated projections for 2015 and a revised forecast for 2016.

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 (2016-2020), the Village has identified \$65.2 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, 2014. 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, 2015 and ending December 31, 2015. 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 2016 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 and Accountants Nancy Warnock and Rumiana Nihtianova who contributed greatly to its preparation. Additionally, I would like to acknowledge the Mayor, the Board of Trustees, the Finance Commission and Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David O. Erb". The signature is fluid and cursive, with a large initial "D" and "E".

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, 2014**

Executive Director/CEO



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## 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, 2015, 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, 2015, 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**

As discussed in Note 13, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; 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, supplemental data and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, supplemental data and statistical sections 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.

A handwritten signature in black ink, appearing to read "Sarah UP".

Naperville, Illinois  
July 21, 2016

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**



VILLAGE OF MOUNT PROSPECT, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For Fiscal Year Ended December 31, 2015

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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.)

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

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The Fund Financial Statements also allow the government to address its Fiduciary Funds (Pension Trust and Agency Funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 13-17) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 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 decreased from \$74.6 million to a negative \$8.6 million. The net decrease of \$83.2 million is attributable to a decrease of \$16.7 million in Governmental Activities, an increase of \$9.1 million in Business-Type Activities, and a decrease of \$75.6 million related to prior period adjustments for capital assets and a change in accounting principle for the implementation of GASB Statement No. 68 which required the Village to retroactively record the net pension liability.

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, 2015 (in millions)

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets/deferred outflows	\$ 93.2	\$ 79.3	\$ 8.6	\$ 9.0	\$ 101.8	\$ 88.3
Capital assets	<u>66.2</u>	<u>70.4</u>	<u>36.3</u>	<u>26.9</u>	<u>102.5</u>	<u>97.3</u>
Total assets/deferred outflows	<u>\$ 159.4</u>	<u>\$ 149.7</u>	<u>\$ 44.9</u>	<u>\$ 35.9</u>	<u>\$ 204.3</u>	<u>\$ 185.6</u>
Current liabilities/deferred inflows	\$ 24.1	\$ 21.7	\$ 1.1	\$ 1.0	\$ 25.2	\$ 22.7
Noncurrent liabilities	<u>185.8</u>	<u>88.0</u>	<u>1.9</u>	<u>0.3</u>	<u>187.7</u>	<u>88.3</u>
Total liabilities/deferred inflows	<u>\$ 209.9</u>	<u>\$ 109.7</u>	<u>\$ 3.0</u>	<u>\$ 1.3</u>	<u>\$ 212.9</u>	<u>\$ 111.0</u>
Net Position						
Net investment in capital assets	\$ 43.7	\$ 46.3	\$ 36.3	\$ 26.9	\$ 80.0	\$ 73.2
Restricted net position	5.2	4.1	-	-	5.2	4.1
Unrestricted net position	<u>(99.4)</u>	<u>(10.4)</u>	<u>5.6</u>	<u>7.7</u>	<u>(93.8)</u>	<u>(2.7)</u>
Total net position	<u>\$ (50.5)</u>	<u>\$ 40.0</u>	<u>\$ 41.9</u>	<u>\$ 34.6</u>	<u>\$ (8.6)</u>	<u>\$ 74.6</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 \$90.5 million while the business-type activities net position increased by \$7.3 million. The governmental activities total assets increased by \$9.7 million and the governmental activities total liabilities/deferred inflows increased by \$100.2 million. The total assets increase of \$9.7 million in governmental activities was the result of an increase of \$13.9 million in current and other assets and a decrease of \$4.2 million in capital assets. The \$13.9 million increase in current assets was due to a decrease in due from other governments of \$1.4 million, an increase in deferred outflows for pensions of \$19.6 million, a decrease in cash and investments of \$5.3 million, and an increase in other assets of \$1.0 million. Changes in net pension obligation accounted for the increase in deferred outflows for pensions. Spending of bond proceeds accounted for the reduction in cash and investments. Amounts due from the Mount Prospect Public Library related to their outstanding debt accounted for almost the entire decrease in due from other governments. The total net position increase of \$9.1 million in business-type activities was primarily due to an increase in capital assets of \$9.5 million, a reduction in cash and investments of \$1.3 million and a net increase in current and noncurrent liabilities of \$0.9 million.

(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 \$100.2 million for the governmental activities was due to the inclusion of the net pension liability required by the implementation of GASB Statement No. 68 totaling \$100.1 million. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities increased from \$1.3 million to \$3.0 million. This increase was also due to the implementation of GASB Statement No. 68.

**Changes in Net Position**

The Village's combined change in net position for the primary government in 2015 was a decrease of \$7.6 million versus a decrease of \$4.9 million in 2014. Activities for the governmental activities saw a decrease in net position of \$16.7 million from 2014, while activities for the business-type funds saw an increase in net position of \$9.1 million from 2014. 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, 2015 (in millions)

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program revenues						
Charges for service	\$ 10.8	\$ 10.4	\$ 12.7	\$ 12.2	\$ 23.5	\$ 22.6
Operating grants	1.9	2.2	-	-	1.9	2.2
Capital grants	-	0.2	8.9	0.4	8.9	0.6
General revenues						
Property taxes	19.9	19.7	1.5	1.5	21.4	21.2
Business district taxes	0.3	0.3	-	-	0.3	0.3
Sales taxes	21.7	19.6	0.1	0.1	21.8	19.7
Income taxes	5.8	5.2	-	-	5.8	5.2
Utility taxes	3.8	4.1	-	-	3.8	4.1
Other taxes	4.7	3.9	-	-	4.7	3.9
Investment income	0.1	(0.1)	-	-	0.1	(0.1)
Contributions	-	-	-	-	-	-
Other	<u>(0.1)</u>	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
Total revenue	\$ 68.9	\$ 65.6	\$ 23.5	\$ 14.3	\$ 92.4	\$ 79.9
Expenses						
General government	\$ 11.5	\$ 10.2	\$ -	\$ -	\$ 11.5	\$ 10.2
Public safety	38.5	30.8	-	-	38.5	30.8
Highways and streets	26.7	19.9	-	-	26.7	19.9
Health	4.5	4.6	-	-	4.5	4.6
Welfare	1.8	1.9	-	-	1.8	1.9
Culture and recreation	0.5	0.4	-	-	0.5	0.4
Interest	2.1	2.9	-	-	2.1	2.9
Water and sewer	-	-	14.1	13.8	14.1	13.8
Parking	-	-	0.3	0.3	0.3	0.3
Total expenses	\$ <u>85.6</u>	\$ <u>70.7</u>	\$ <u>14.4</u>	\$ <u>14.1</u>	\$ <u>100.0</u>	\$ <u>84.8</u>
Change in net position	\$ <u>(16.7)</u>	\$ <u>(5.1)</u>	\$ <u>9.1</u>	\$ <u>0.2</u>	\$ <u>(7.6)</u>	\$ <u>(4.9)</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 2015 were \$68.9 million.

Sales taxes are the largest revenue source for governmental activities accounting for \$21.7 million or an increase of \$2.1 million from the prior year. The increase was due primarily to the steadily improving local economy and additional new retail coming on line. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. Property taxes are the second highest revenue source with \$19.9 million in revenue. This revenue has historically been the most stable source for the Village. This was an increase of \$0.2 million from the prior year. There was an increase of \$0.4 million in charges for service. Other taxes increased a collective \$0.8 million from the prior year.

(See independent auditor's report.)

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

Expenses:

Total expenses for the Village's Governmental Activities for 2015 were \$85.6 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2015 were \$38.5 million, an increase of \$7.7 million from 2014. The higher than typical increase in the Public Safety category is due to the recognition of changes in net pension liability. 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 \$26.7 million, an increase of \$6.8 million from the prior year. The increase is primarily due to expenses related to capital projects.

***Business-Type Activities***

Revenues:

Total revenues for the Village's Business-Type Activities for 2015 were \$23.5 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service annually account for the largest share of revenue for business-type activities. Of the \$12.7 million generated in 2015, \$9.7 million is from water sales, \$2.6 million is from sewer fees and charges, \$0.3 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2014, water sales accounted for \$9.1 million and sewer fees were \$2.7 million. Additionally for 2015, there was \$8.9 million in capital grants related to fixed asset additions. 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 2015 were \$14.4 million.

Of the total expenses for business-type activities, \$14.1 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$6.4 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 \$13.8 million in expenses for 2014, \$6.0 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 \$4.4 million in 2015 from \$12.9 million to \$17.2 million. In 2015, General Fund revenues came in above the final budget by \$1.5 million while expenditures and net transfers came in \$1.7 million under budget. The final Village budget had anticipated an increase in the General Fund fund balance of \$1.2 million.

Sales taxes came in \$1.0 million above the final budget, while state income taxes came in \$0.5 million over budget. No other significant deviations from the final budget were seen in revenues during 2015.

(See independent auditor's report.)

**General Fund Budgeting Highlights**

During 2015, 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 76.

Table 3  
General Fund Budgetary Changes  
Calendar Year 2015 (in millions)

	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>
<b>Revenues and Other Financing Sources</b>			
Taxes	\$ 22.0	\$ 23.0	\$ 22.9
Intergovernmental	20.1	20.7	22.4
Other	<u>4.7</u>	<u>5.1</u>	<u>5.0</u>
Total Revenues	\$ 46.8	\$ 48.8	\$ 50.3
<b>Expenditures and Transfers</b>			
Expenditures	\$ 46.8	\$ 47.5	\$ 45.6
Net Transfers	<u>-</u>	<u>0.1</u>	<u>0.3</u>
Total Expenditures and Transfers	\$ 46.8	\$ 47.6	\$ 45.9
 Change in Fund Balance	 <u>\$ -</u>	 <u>\$ 1.2</u>	 <u>\$ 4.4</u>

**Other Major Funds**

There are four (4) other Major Funds for Fiscal Year ended December 31, 2015. 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 2015 were \$4.0 million, an increase of \$0.4 million from the prior year. Almost the entire amount of revenue received during 2015 was due to charges for service. Total expenditures for 2015 were \$4.4 million, no change from the prior year. Ending fund balance fell \$0.4 million to \$1.2 million. There was an intentional drawdown of reserves according to the multi-year plan for implementing a direct charge for refuse collection that in the end will fully support refuse operations. No further drawdown in reserves is anticipated.

**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 2015 were \$4.9 million, no change from the prior year. Of this total revenue amount, \$2.3 million is from property taxes, \$1.6 million is from an intergovernmental transfer from the Mount Prospect Public Library to pay for library related debt, and \$1.0 million is from other taxes. Total expenditures for 2015 were \$4.8 million, a decrease of \$0.1 from the prior year. Ending fund balance was \$0.2 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 2015 were \$0.4 million. Total expenditures for 2015 were \$9.2 million. Ending fund balance is \$2.6 million. Flood control projects completed during 2015 led to the drawdown of fund balance.

(See independent auditor’s report.)



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

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**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 2015 of \$3.6 million consisted of \$2.1 million in other taxes, \$1.5 million in licenses with the balance coming from various other revenues. Total expenditures for 2015 were \$6.3 million. Ending fund balance decreased \$2.7 million to \$0.2 million. The decrease in fund balance was due to a spenddown of bond proceeds that were issued to address a backlog of street resurfacing projects. Bond proceeds are now entirely exhausted. The annual street construction program moves forward on a pay-as-you-go basis.

**Capital Assets**

At the end of 2015, the Village had a combined total of \$102.5 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 Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land (including right-of-way)	\$ 10.3	\$ 10.3	\$ 17.6	\$ 17.6	\$ 27.9	\$ 27.9
Construction in Progress	1.2	1.2	11.3	0.6	12.5	1.8
Buildings & Improvements	28.6	29.3	2.1	2.1	30.7	31.4
Vehicles	3.5	3.2	-	-	3.5	3.2
Machinery & Equipment	0.9	0.9	1.0	1.2	1.9	2.1
Infrastructure	<u>21.7</u>	<u>24.6</u>	<u>4.3</u>	<u>4.6</u>	<u>26.0</u>	<u>29.2</u>
Total Capital Assets	<u>\$ 66.2</u>	<u>\$ 69.5</u>	<u>\$ 36.3</u>	<u>\$ 26.1</u>	<u>\$ 102.5</u>	<u>\$ 95.6</u>

This amount represents a net increase (including additions and deletions) of \$6.9 million from 2014.

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(See independent auditor's report.)

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

Table 5  
Change in Capital Assets (in millions)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Beginning Balance	\$ 69.5	\$ 26.1	\$ 95.6
Additions			
Depreciable	0.8	-	0.8
Non-Depreciable	1.0	10.7	11.7
Retirements			
Depreciable	(0.8)	-	(0.8)
Non-Depreciable	(0.3)	-	(0.3)
Depreciation	(4.3)	(0.5)	(4.8)
Retirement	<u>0.3</u>	<u>-</u>	<u>0.3</u>
Ending Balance	<u>\$ 66.2</u>	<u>\$ 36.3</u>	<u>\$ 102.5</u>

Table 5 above shows the change in capital assets during 2015. 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 - \$0.8  
Various construction projects in-progress - \$0.8

**Business-Type Activities**

Storm sewer main replacement construction project in-progress - \$10.7

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

**Debt Outstanding**

The Village of Mount Prospect had total long-term debt and loans payable of \$85.9 million as of December 31, 2015. Long-term debt is comprised of general obligation debt, compensated absences to employees, other post-employment benefits (OPEB), and loans payable. During the year, \$0.3 million of general obligation debt and notes payable were issued while compensated absences and other pension and post-employment benefits increased \$1.2 million. Decreases in long term debt include the retirement of \$2.5 million in general obligation debt, \$0.3 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 37.

(See independent auditor's report.)

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

The General Fund, the Village's main operating fund, ended with a solid surplus for calendar year 2015. The \$4.3 million surplus increases the fund balance to 33% of the subsequent year budgeted expenditures. The Village Board has set as its benchmark a level of reserves equal to 25% of subsequent year expenditures. Total village revenues for 2015 continued to see positive increases from the prior year. Conservative approaches to estimating revenue and strong expenditure management by the various departments have allowed the Village to maintain a strong financial condition through several lean years following the significant downturn in the economy that started at the end of 2008. Continuing challenges in 2016 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 2015 was 4.3%. This is below the state and national unemployment rate of 5.9% and 5.3% respectively. The Village's unemployment rate decreased 120 basis points from the prior year.

The 2016 Budget represents a 10.7% decrease from the amended 2015 Budget and totals \$112.5 million. The General Fund increased \$1.9 million, or 4.1% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 4.4% and totals \$68.2 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, 2015

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 32,528,952	\$ 3,673,926	\$ 36,202,878
Receivables (net of allowance where applicable)			
Property taxes	17,995,548	1,518,998	19,514,546
Other taxes	7,635,599	1,595	7,637,194
Utility customers	-	1,249,847	1,249,847
Miscellaneous	1,055,897	9,785	1,065,682
Prepaid expenses	425,756	6,995	432,751
Inventory	302,530	394,316	696,846
Due from other governments	11,435,188	834	11,436,022
Deposits - insurance	2,104,415	-	2,104,415
Deposits with joint venture	-	697,247	697,247
Capital assets not being depreciated	11,492,960	28,849,988	40,342,948
Capital assets being depreciated (net of accumulated depreciation)	54,672,890	7,486,911	62,159,801
Total assets	<u>139,649,735</u>	<u>43,890,442</u>	<u>183,540,177</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	19,562,086	1,059,652	20,621,738
Unamortized loss on refunding	212,906	-	212,906
Total deferred outflows of resources	<u>19,774,992</u>	<u>1,059,652</u>	<u>20,834,644</u>
Total assets and deferred outflows of resources	<u>159,424,727</u>	<u>44,950,094</u>	<u>204,374,821</u>
<b>LIABILITIES</b>			
Accounts payable	3,657,865	826,258	4,484,123
Accrued payroll	599,096	54,759	653,855
Accrued interest payable	144,600	-	144,600
Retainage payable	227,812	93,447	321,259
Other payables	20,826	-	20,826
Due to fiduciary funds	115,052	-	115,052
Unearned revenue	809,139	57,503	866,642
Due to other governments	55,821	-	55,821
Noncurrent liabilities			
Due within one year	4,733,653	41,465	4,775,118
Due in more than one year	80,879,045	205,473	81,084,518
Net pension liability	100,182,810	1,629,419	101,812,229
Total liabilities	<u>191,425,719</u>	<u>2,908,324</u>	<u>194,334,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property taxes	17,953,683	-	17,953,683
Pension related amounts	533,289	124,822	658,111
Total deferred inflows of resources	<u>18,486,972</u>	<u>124,822</u>	<u>18,611,794</u>
Total liabilities and deferred inflows of resources	<u>209,912,691</u>	<u>3,033,146</u>	<u>212,945,837</u>
<b>NET POSITION</b>			
Net investment in capital assets	43,755,661	36,336,899	80,092,560
Restricted for			
Highways and streets	1,927,676	-	1,927,676
Public safety - police	237,341	-	237,341
Public safety - fire	302,634	-	302,634
Debt service	154,206	-	154,206
Capital projects	1,506,736	-	1,506,736
Refuse disposal	1,191,201	-	1,191,201
Unrestricted	(99,563,419)	5,580,049	(93,983,370)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (50,487,964)</u>	<u>\$ 41,916,948</u>	<u>\$ (8,571,016)</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 11,514,091	\$ 4,458,450	\$ 37,763	\$ -
Public safety	38,535,612	1,796,729	41,311	-
Highways and streets	26,650,772	183,246	1,340,295	47,274
Health	4,538,800	3,978,508	-	-
Welfare	1,813,254	44,164	434,059	-
Culture and recreation	453,534	-	15,685	-
Interest	2,064,448	445,192	43,682	-
Total governmental activities	85,570,511	10,906,289	1,912,795	47,274
Business-Type Activities				
Water and sewer	14,143,610	12,434,405	-	8,889,998
Parking	269,619	261,745	-	-
Total business-type activities	14,413,229	12,696,150	-	8,889,998
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 99,983,740</b>	<b>\$ 23,602,439</b>	<b>\$ 1,912,795</b>	<b>\$ 8,937,272</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (7,017,878)	\$ -	\$ (7,017,878)
	(36,697,572)	-	(36,697,572)
	(25,079,957)	-	(25,079,957)
	(560,292)	-	(560,292)
	(1,335,031)	-	(1,335,031)
	(437,849)	-	(437,849)
	(1,575,574)	-	(1,575,574)
	(72,704,153)	-	(72,704,153)
	-	7,180,793	7,180,793
	-	(7,874)	(7,874)
	-	7,172,919	7,172,919
	(72,704,153)	7,172,919	(65,531,234)
General Revenues			
Taxes			
Property	19,884,986	1,519,375	21,404,361
Utility	3,774,729	-	3,774,729
Business district	342,040	-	342,040
Home rule sales	5,367,762	101,595	5,469,357
Food and beverage	1,141,356	-	1,141,356
Real estate transfer	1,371,699	-	1,371,699
Municipal motor fuel	694,107	-	694,107
Hotel/motel	514,860	-	514,860
Other	218,971	-	218,971
Intergovernmental - unrestricted			
State sales and use tax	16,311,253	-	16,311,253
Property tax TIF rebate	365,634	-	365,634
Income tax	5,763,542	-	5,763,542
Replacement tax	386,154	-	386,154
Investment income	24,784	34,195	58,979
Miscellaneous	42,059	94,424	136,483
Transfers	(200,000)	200,000	-
Total	56,003,936	1,949,589	57,953,525
CHANGE IN NET POSITION	(16,700,217)	9,122,508	(7,577,709)
NET POSITION, JANUARY 1	40,071,532	34,589,818	74,661,350
Prior period adjustment	(73,859,279)	(1,795,378)	(75,654,657)
NET POSITION (DEFICIT), JANUARY 1, RESTATED	(33,787,747)	32,794,440	(993,307)
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (50,487,964)</b>	<b>\$ 41,916,948</b>	<b>\$ (8,571,016)</b>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2015

	General	Refuse Disposal	Debt Service	Flood Control Construction	Street Improvement Construction	Nonmajor	Total
<b>ASSETS</b>							
Cash and investments	\$ 11,009,774	\$ 844,053	\$ 138,721	\$ 3,319,204	\$ 94,534	\$ 5,570,668	\$ 20,976,954
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	15,733,573	-	2,261,975	-	-	-	17,995,548
Other taxes	6,344,148	-	15,768	53,836	547,668	674,179	7,635,599
Other	471,824	470,534	-	-	25,511	83,586	1,051,455
Due from other funds	473,348	-	-	-	-	-	473,348
Due from other governments	159,403	-	10,280,000	-	23,750	961,592	11,424,745
Inventories	2,561	22,841	-	-	-	-	25,402
Prepaid items	201,462	83,968	-	-	-	800	286,230
<b>TOTAL ASSETS</b>	<b>\$ 34,396,093</b>	<b>\$ 1,421,396</b>	<b>\$ 12,696,464</b>	<b>\$ 3,373,040</b>	<b>\$ 691,463</b>	<b>\$ 7,290,825</b>	<b>\$ 59,869,281</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	\$ 578,648	\$ 224,399	\$ 48	\$ 519,105	\$ 407,419	\$ 1,871,588	\$ 3,601,207
Accrued payroll	565,935	5,796	-	-	-	1,116	572,847
Retainage payable	9,826	-	-	210,380	6,433	1,173	227,812
Other payables	7,740	-	-	-	-	-	7,740
Unearned revenue	150,655	-	-	-	-	658,484	809,139
Due to other governments	55,586	-	235	-	-	-	55,821
Due to other funds	-	-	-	-	-	473,348	473,348
Due to fiduciary funds	115,052	-	-	-	-	-	115,052
Total liabilities	1,483,442	230,195	283	729,485	413,852	3,005,709	5,862,966
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	15,691,708	-	2,261,975	-	-	-	17,953,683
Unavailable revenue - other	-	-	10,280,000	-	-	-	10,280,000
Total deferred inflows of resources	15,691,708	-	12,541,975	-	-	-	28,233,683
Total liabilities and deferred inflows of resources	17,175,150	230,195	12,542,258	729,485	413,852	3,005,709	34,096,649
<b>FUND BALANCES</b>							
Nonspendable							
Inventory	2,561	22,841	-	-	-	-	25,402
Prepaid items	201,462	83,968	-	-	-	800	286,230
Restricted							
Highways and streets	-	-	-	-	-	1,927,676	1,927,676
Public safety - police	-	-	-	-	-	237,341	237,341
Public safety - fire	-	-	-	-	-	302,634	302,634
Economic development	-	-	-	-	-	-	-
Debt service	-	-	154,206	-	-	-	154,206
Refuse disposal	-	1,084,392	-	-	-	-	1,084,392
Capital projects	-	-	-	1,506,736	-	-	1,506,736
Unrestricted							
Assigned							
Capital projects	-	-	-	1,136,819	277,611	2,264,699	3,679,129
Unassigned	17,016,920	-	-	-	-	(448,034)	16,568,886
Total fund balances	17,220,943	1,191,201	154,206	2,643,555	277,611	4,285,116	25,772,632
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 34,396,093</b>	<b>\$ 1,421,396</b>	<b>\$ 12,696,464</b>	<b>\$ 3,373,040</b>	<b>\$ 691,463</b>	<b>\$ 7,290,825</b>	<b>\$ 59,869,281</b>

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, 2015

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 25,772,632
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	66,165,850
Less internal service funds included below	(4,541,276)
Deferred outflows of resources related to pensions are not a current financial resource, and, therefore, are not reported in the governmental funds	19,562,086
Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	10,280,000
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(144,600)
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	(45,605,000)
Loan contracts payable	(543,015)
Installment notes payable	(1,940,000)
Business district limited tax note payable	(31,790,140)
Compensated absences payable	(3,236,272)
Net pension liability - Illinois Municipal Retirement Fund	(6,961,499)
Net pension liability - Police Pension Plan	(51,731,299)
Net pension liability - Firefighters Pension Plan	(41,490,012)
Unamortized bond premium	(322,931)
Unamortized loss on refunding	212,906
Net other postemployment benefits obligation	(1,179,636)
Deferred inflows of resources related to pensions are not a current financial resource, and, therefore, are not reported in the governmental funds	(533,289)
The net position of the internal service funds are included in the governmental activities in the statement of net position	<u>17,537,531</u>
<b>NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (50,487,964)</u></u>

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, 2015

	<b>General</b>	<b>Refuse Disposal</b>	<b>Debt Service</b>	<b>Flood Control Construction</b>	<b>Street Improvement Construction</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>							
Property taxes	\$ 15,317,183	\$ -	\$ 2,254,000	\$ -	\$ -	\$ 2,313,803	\$ 19,884,986
Other taxes	7,576,586	-	1,004,276	362,695	2,061,569	2,543,779	13,548,905
Licenses, permits, and fees	2,428,969	-	-	-	1,486,666	-	3,915,635
Intergovernmental	22,447,427	-	1,612,484	-	-	1,958,262	26,018,173
Charges for services	1,699,217	3,965,181	-	-	-	-	5,664,398
Fines and forfeits	511,536	-	-	-	-	-	511,536
Investment income	8,612	309	313	12,329	1,403	1,818	24,784
Miscellaneous	331,383	13,327	-	32,981	52,327	226,859	656,877
<b>Total revenues</b>	<b>50,320,913</b>	<b>3,978,817</b>	<b>4,871,073</b>	<b>408,005</b>	<b>3,601,965</b>	<b>7,044,521</b>	<b>70,225,294</b>
<b>EXPENDITURES</b>							
Current							
General government	6,321,419	-	-	-	-	1,277,230	7,598,649
Public safety	30,260,965	-	-	-	-	89,305	30,350,270
Highways and streets	6,935,457	-	-	-	-	808,665	7,744,122
Health	148,731	4,440,425	-	-	-	-	4,589,156
Welfare	1,529,810	-	-	-	-	431,706	1,961,516
Culture and recreation	467,611	-	-	-	-	-	467,611
Capital outlay	-	-	-	9,191,574	6,253,074	5,553,860	20,998,508
Debt service							
Principal retirement	-	-	3,048,912	-	-	-	3,048,912
Interest and fiscal charges	-	-	1,799,590	-	-	-	1,799,590
<b>Total expenditures</b>	<b>45,663,993</b>	<b>4,440,425</b>	<b>4,848,502</b>	<b>9,191,574</b>	<b>6,253,074</b>	<b>8,160,766</b>	<b>78,558,334</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,656,920</b>	<b>(461,608)</b>	<b>22,571</b>	<b>(8,783,569)</b>	<b>(2,651,109)</b>	<b>(1,116,245)</b>	<b>(8,333,040)</b>

	<b>General</b>	<b>Refuse Disposal</b>	<b>Debt Service</b>	<b>Flood Control Construction</b>	<b>Street Improvement Construction</b>	<b>Nonmajor</b>	<b>Total</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,599	\$ 81,599
Transfers (out)	(281,599)	-	-	-	-	-	(281,599)
Total other financing sources (uses)	(281,599)	-	-	-	-	81,599	(200,000)
<b>NET CHANGE IN FUND BALANCES</b>	4,375,321	(461,608)	22,571	(8,783,569)	(2,651,109)	(1,034,646)	(8,533,040)
<b>FUND BALANCES, JANUARY 1</b>	12,845,622	1,652,809	131,635	11,427,124	2,928,720	5,319,762	34,305,672
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 17,220,943</u>	<u>\$ 1,191,201</u>	<u>\$ 154,206</u>	<u>\$ 2,643,555</u>	<u>\$ 277,611</u>	<u>\$ 4,285,116</u>	<u>\$ 25,772,632</u>

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, 2015

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (8,533,040)</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	366,108
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	-
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	(3,710,098)
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	3,048,912
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Accreted interest on business district limited tax note payable	(275,713)
Amortization of accounting loss on refunding	(30,415)
Amortization of premium	35,697
Decrease in compensated absences	99,180
Pension expense	(8,005,079)
Increase in net other postemployment benefits obligation	(288,939)
Change in accrued interest	5,573
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(1,155,000)
The change in net position of the internal service funds is reported with governmental activities	<u>1,742,597</u>
<b>CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (16,700,217)</u></b>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 3,185,314	\$ 488,612	\$ 3,673,926	\$ 11,551,998
Receivables				
Property taxes	1,518,998	-	1,518,998	-
Accounts - billed	454,326	-	454,326	-
Accounts - unbilled	795,521	-	795,521	-
Other taxes	-	1,595	1,595	-
Other	9,785	-	9,785	4,442
Inventories	394,316	-	394,316	277,128
Prepaid expenses	6,995	-	6,995	139,526
Due from other governments	834	-	834	10,443
Total current assets	6,366,089	490,207	6,856,296	11,983,537
<b>NONCURRENT ASSETS</b>				
Deposits - insurance	-	-	-	2,104,415
Deposit with joint venture	697,247	-	697,247	-
Subtotal noncurrent assets	697,247	-	697,247	2,104,415
Capital assets				
Capital assets not being depreciated	28,617,634	232,354	28,849,988	479,601
Capital assets being depreciated, cost	26,747,470	364,800	27,112,270	12,405,346
Accumulated depreciation	(19,260,559)	(364,800)	(19,625,359)	(8,343,671)
Net capital assets	36,104,545	232,354	36,336,899	4,541,276
Total noncurrent assets	36,801,792	232,354	37,034,146	6,645,691
Total assets	43,167,881	722,561	43,890,442	18,629,228
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	1,059,652	-	1,059,652	-
Total assets and deferred outflows of resources	44,227,533	722,561	44,950,094	18,629,228
<b>CURRENT LIABILITIES</b>				
Accounts payable	810,810	15,448	826,258	56,658
Accrued payroll	53,196	1,563	54,759	26,249
Retainage payable	93,447	-	93,447	-
Claims payable	-	-	-	814,816
Unearned revenue	-	57,503	57,503	-
Other payables	-	-	-	13,086
Compensated absences payable	40,732	733	41,465	27,743
Total current liabilities	998,185	75,247	1,073,432	938,552

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>LONG-TERM LIABILITIES</b>				
Compensated absences payable	\$ 162,926	\$ 2,936	\$ 165,862	\$ 110,973
Claims payable	-	-	-	18,152
Net other postemployment benefits obligation	38,471	1,140	39,611	24,020
Net pension liability	1,629,419	-	1,629,419	-
Total long-term liabilities	1,830,816	4,076	1,834,892	153,145
Total liabilities	2,829,001	79,323	2,908,324	1,091,697
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related amounts	124,822	-	124,822	-
Total liabilities and deferred inflows of resources	2,953,823	79,323	3,033,146	1,091,697
<b>NET POSITION</b>				
Investment in capital assets	36,104,545	232,354	36,336,899	4,541,276
Unrestricted	5,169,165	410,884	5,580,049	12,996,255
<b>TOTAL NET POSITION</b>	<b>\$ 41,273,710</b>	<b>\$ 643,238</b>	<b>\$ 41,916,948</b>	<b>\$ 17,537,531</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, 2015

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>OPERATING REVENUES</b>				
Charges for services	\$ 12,434,405	\$ 261,745	\$ 12,696,150	\$ 10,376,794
Contributions	-	-	-	1,294,566
Miscellaneous	-	-	-	2,792
Total operating revenues	12,434,405	261,745	12,696,150	11,674,152
<b>OPERATING EXPENSES</b>				
Administration and maintenance	13,682,882	269,619	13,952,501	2,637,093
Insurance and claims	-	-	-	6,707,595
Depreciation	460,728	-	460,728	625,100
Total operating expenses	14,143,610	269,619	14,413,229	9,969,788
OPERATING INCOME (LOSS)	(1,709,205)	(7,874)	(1,717,079)	1,704,364
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property taxes	1,519,375	-	1,519,375	-
Home rule sales tax	-	101,595	101,595	-
Investment income	34,092	103	34,195	7,559
Other income	94,424	-	94,424	-
Gain (loss) on disposal of capital assets	-	-	-	30,674
Total non-operating revenues (expenses)	1,647,891	101,698	1,749,589	38,233
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	(61,314)	93,824	32,510	1,742,597
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	8,889,998	-	8,889,998	-
<b>TRANSFERS IN</b>				
Transfers in	-	200,000	200,000	-
CHANGE IN NET POSITION	8,828,684	293,824	9,122,508	1,742,597
NET POSITION, JANUARY 1	34,240,404	349,414	34,589,818	15,797,609
Prior period adjustment	(1,795,378)	-	(1,795,378)	(2,675)
NET POSITION, JANUARY 1, RESTATED	32,445,026	349,414	32,794,440	15,794,934
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 41,273,710</b>	<b>\$ 643,238</b>	<b>\$ 41,916,948</b>	<b>\$ 17,537,531</b>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 12,469,021	\$ 266,036	\$ 12,735,057	\$ 2,108,167
Receipts from interfund services	-	-	-	9,474,603
Receipts from miscellaneous revenues	89,717	-	89,717	14,421
Payments to suppliers	(10,910,727)	(167,476)	(11,078,203)	(8,614,001)
Payments to employees	(2,819,738)	(90,747)	(2,910,485)	(1,322,601)
Net cash from operating activities	(1,171,727)	7,813	(1,163,914)	1,660,589
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes	1,517,413	-	1,517,413	-
Home rule sales taxes	-	135,320	135,320	-
Interfund transactions	-	(154,882)	(154,882)	-
Transfers in from other funds	-	200,000	200,000	-
Net cash from noncapital financing activities	1,517,413	180,438	1,697,851	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of capital assets	-	-	-	40,673
Acquisition of capital assets	(1,859,441)	-	(1,859,441)	(633,034)
Net cash from capital and related financing activities	(1,859,441)	-	(1,859,441)	(592,361)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	1,922	103	2,025	7,559
Net cash from investing activities	1,922	103	2,025	7,559
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,511,833)	188,354	(1,323,479)	1,075,787
CASH AND CASH EQUIVALENTS, JANUARY 1	4,697,147	300,258	4,997,405	10,476,211
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,185,314	\$ 488,612	\$ 3,673,926	\$ 11,551,998

(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, 2015

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,709,205)	\$ (7,874)	\$ (1,717,079)	\$ 1,704,364
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	460,728	-	460,728	625,100
Other income	94,424	-	94,424	-
Changes in assets and liabilities				
Receivables	29,909	-	29,909	(1,488)
Inventories	98,316	-	98,316	13,813
Prepaid expenses	152,861	589	153,450	(37,417)
Deposits	-	-	-	(504,420)
Accounts payable and retainage payable	(13,521)	11,214	(2,307)	(76,354)
Accrued payroll and compensated absences	7	1,022	1,029	19,736
Net other postemployment benefits obligation	8,766	(1,429)	7,337	13,773
Net pension liability	(294,012)	-	(294,012)	-
Unearned revenues	-	4,291	4,291	-
Claims payable	-	-	-	(96,518)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (1,171,727)</b>	<b>\$ 7,813</b>	<b>\$ (1,163,914)</b>	<b>\$ 1,660,589</b>
<b>NONCASH TRANSACTIONS</b>				
Capital contributions	\$ 8,889,998	\$ -	\$ 8,889,998	\$ -

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

December 31, 2015

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	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,171,648	\$ 1,136,998
Investments		
State and local obligations	3,052,742	-
U.S. Government and U. S. agency obligations	22,488,175	-
Corporate bonds and obligations	16,532,134	-
Real estate	2,710,469	-
Mutual funds	68,160,986	-
Receivables, net of allowances		
Accrued interest	257,038	-
Prepays	1,795	-
Due from other funds	115,052	-
Deposits	-	5,090
	<hr/>	<hr/>
Total assets	115,490,039	\$ 1,142,088
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	133,297	\$ -
Deposits payable	-	1,136,112
Other liabilities	-	5,976
	<hr/>	<hr/>
Total liabilities	133,297	\$ 1,142,088
	<hr/>	<hr/>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u>\$ 115,356,742</u>	

See accompanying notes to financial statements.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2015

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**ADDITIONS**

Contributions	
Employer	\$ 5,450,712
Participants	<u>1,402,759</u>
Total contributions	<u>6,853,471</u>
Investment income	
Interest earned	1,431,535
Net change in fair value	1,105,720
Less investment expenses	<u>(185,327)</u>
Net investment income	<u>2,351,928</u>
Total additions	<u>9,205,399</u>

**DEDUCTIONS**

Administration	112,083
Benefits and refunds	<u>9,124,838</u>
Total deductions	<u>9,236,921</u>

NET INCREASE (DECREASE) (31,522)

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

January 1	<u>115,388,264</u>
December 31	<u><u>\$ 115,356,742</u></u>

See accompanying notes to financial statements.

# VILLAGE OF MOUNT PROSPECT, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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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.

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

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

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

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

b. Fund Accounting

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

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

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

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

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

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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 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 has elected to present the Refuse Street Improvement Construction Fund as a major fund.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes, 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.



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

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**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. 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.

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

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

j. Capital Assets (Continued)

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

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are 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

k. Compensated Absences

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

l. Rebtable Arbitrage

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

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

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

m. Long-Term Obligations

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

n. Property Taxes

Property taxes for 2015 attach as an enforceable lien on January 1, 2015 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, 2016 and August 1, 2016 and are payable in two installments, on or about March 1, 2016 and September 1, 2016. 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 2015 levy is intended to fund the 2016 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

o. Deferred Outflows/Inflows of Resources

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

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

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

p. Fund Balances/Net Position

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

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

The Village's policy states that the General Fund should maintain an unrestricted fund balance level between 20% and 30% of the subsequent fiscal year's 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.

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

q. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

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

Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (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.

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	\$ 20,802
Mount Prospect Public Library	10,280,000
Grants	689,581
TIF surplus	365,634
Miscellaneous	<u>79,171</u>

<b>TOTAL</b>	<u><u>\$ 11,435,188</u></u>
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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 Ending	Principal	Interest
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>\$ 10,280,000</b>	<b>\$ 1,700,084</b>

**4. CAPITAL ASSETS**

Capital asset activity for the Village for the year ended December 31, 2015 was as follows:

	Balances January 1, as restated	Additions	Retirements	Balances 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	1,176,816	780,967	756,269	1,201,514
Total capital assets not being depreciated	11,468,262	780,967	756,269	11,492,960
Capital assets being depreciated				
Buildings	38,009,332	-	-	38,009,332
Improvements other than buildings	384,000	52,273	-	436,273
Vehicles	9,607,866	777,483	269,220	10,116,129
Machinery and equipment	3,264,526	144,254	73,900	3,334,880
Infrastructure	85,630,360	2,500	4,110	85,628,750
Total capital assets being depreciated	136,896,084	976,510	347,230	137,525,364
Less accumulated depreciation for				
Buildings	8,792,516	754,855	-	9,547,371
Improvements other than buildings	316,800	20,507	-	337,307
Vehicles	6,368,949	533,547	259,220	6,643,276
Machinery and equipment	2,304,797	171,090	73,900	2,401,987
Infrastructure	61,071,444	2,855,199	4,110	63,922,533
Total accumulated depreciation	78,854,506	4,335,198	337,230	82,852,474
Total capital assets being depreciated, net	58,041,578	(3,358,688)	10,000	54,672,890
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 69,509,840</b>	<b>\$ (2,577,721)</b>	<b>\$ 766,269</b>	<b>\$ 66,165,850</b>

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

**4. CAPITAL ASSETS (Continued)**

	Balances January 1, as restated	Additions	Retirements	Balances December 31
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 17,551,172	\$ -	\$ -	\$ 17,551,172
Construction in progress	549,378	10,749,438	-	11,298,816
Total capital assets not being depreciated	18,100,550	10,749,438	-	28,849,988
Capital assets being depreciated				
Buildings and improvements	4,875,816	-	-	4,875,816
Machinery and equipment	4,062,241	-	-	4,062,241
Infrastructure	18,177,595	-	3,382	18,174,213
Total capital assets being depreciated	27,115,652	-	3,382	27,112,270
Less accumulated depreciation for				
Buildings and improvements	2,735,734	76,840	-	2,812,574
Machinery and equipment	2,874,325	150,225	-	3,024,550
Infrastructure	13,557,954	233,663	3,382	13,788,235
Total accumulated depreciation	19,168,013	460,728	3,382	19,625,359
Total capital assets being depreciated, net	7,947,639	(460,728)	-	7,486,911
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 26,048,189</b>	<b>\$ 10,288,710</b>	<b>\$ -</b>	<b>\$ 36,336,899</b>

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 401,963
Public safety	369,170
Highways and streets	2,929,376
Health and welfare	2,349
Culture and recreation	7,240
Internal service funds	625,100

**TOTAL** \$ 4,335,198

**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, 2015 was \$832,968.

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

	Auto	Workers' Compensation	General Liability	Total
UNPAID CLAIMS, DECEMBER 31, 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, DECEMBER 31, 2014	97	821,389	108,000	929,486
Claims incurred - 2015	7,391	750,086	(34,715)	722,762
Claims payments - 2015	5,988	800,607	12,685	819,280
UNPAID CLAIMS, DECEMBER 31, 2015	\$ 1,500	\$ 770,868	\$ 60,600	\$ 832,968

a. High-Level Excess Liability Pool

The Village participates in the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities in Illinois to provide excess liability coverage (\$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 (Continued)

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

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

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

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

b. Intergovernmental Personnel Benefit Cooperative

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

**5. RISK MANAGEMENT (Continued)**

b. Intergovernmental Personnel Benefit Cooperative (Continued)

IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$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 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, 2015:

	Debt Retired by	Balances January 1	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	\$ 9,610,000	\$ -	\$ 55,000	\$ 9,555,000	\$ 555,000
\$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	2,340,000	-	305,000	2,035,000	315,000
\$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	2,625,000	-	40,000	2,585,000	55,000
\$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	1,825,000	-	1,100,000	725,000	725,000
\$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	4,355,000	-	680,000	3,675,000	695,000
\$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 Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at 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	5,975,000	-	290,000	5,685,000	300,000
<b>Total bonds</b>		<b>48,075,000</b>	<b>-</b>	<b>2,470,000</b>	<b>45,605,000</b>	<b>2,645,000</b>
\$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	230,463	-	74,628	155,835	76,800
\$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	491,464	-	104,285	387,179	107,040
<b>Total IEPA flood loan installment notes payable</b>		<b>721,927</b>	<b>-</b>	<b>178,913</b>	<b>543,014</b>	<b>183,840</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	2,340,000	-	400,000	1,940,000	415,000
<b>Total installment notes payable</b>		<b>2,340,000</b>	<b>-</b>	<b>400,000</b>	<b>1,940,000</b>	<b>415,000</b>
\$25,000,000 Business District limited tax note payable of 2010, interest at 6.71% due in semiannual installments contingent upon sufficient pledged revenues.	Business District	31,514,427	275,713	-	31,790,140	-
<b>Total Business District limited tax note payable</b>		<b>31,514,427</b>	<b>275,713</b>	<b>-</b>	<b>31,790,140</b>	<b>-</b>

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

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

d. Changes in Long-Term Liabilities (Continued)

The following is a summary of changes in long-term liabilities during 2015:

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
<b>GOVERNMENTAL ACTIVITIES</b>						
Compensated absences	General	\$ 3,464,765	\$ 168,969	\$ 258,746	\$ 3,374,988	\$ 674,997
Claims and judgments	Internal Service	929,486	722,762	819,280	832,968	814,816
Net other postemployment benefit obligation	General	900,944	302,712	-	1,203,656	-
General obligation bonds	Debt Service	48,075,000	-	2,470,000	45,605,000	2,645,000
Unamortized bond premium		358,628	-	35,697	322,931	-
Loan contracts payable	Debt Service	721,927	-	178,912	543,015	183,840
Installment notes payable	Debt Service	2,340,000	-	400,000	1,940,000	415,000
Business District limited tax note payable	Business District	31,514,427	275,713	-	31,790,140	-
Total governmental activities		88,305,177	1,470,156	4,162,635	85,612,698	4,733,653
<b>BUSINESS-TYPE ACTIVITIES</b>						
Compensated absences*		227,499	-	20,172	207,327	41,465
Net other postemployment benefit obligation*		32,274	7,337	-	39,611	-
Total business-type activities		259,773	7,337	20,172	246,938	41,465
<b>TOTAL</b>		<b>\$ 88,564,950</b>	<b>\$ 1,477,493</b>	<b>\$ 4,182,807</b>	<b>\$ 85,859,636</b>	<b>\$ 4,775,118</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 Ending December 31,	Governmental Activities					
	General Obligation Bonds		Loan Contracts Payable		Installment Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 45,605,000</b>	<b>\$ 13,970,932</b>	<b>\$ 543,014</b>	<b>\$ 26,262</b>	<b>\$ 1,940,000</b>	<b>\$ 46,957</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 \$98,492 to HELP in 2015. For 2016, the Village estimates it will pay \$122,368.

b. Solid Waste Agency of Northern Cook County

Annual payments to Solid Waste Agency of Northern Cook County (SWANCC) are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For 2016, the Village estimates it will pay SWANCC \$1,323,087, 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	Downtown Redevelopment Construction CDBG Fund	\$ 469,881 <u>3,467</u>
		<u>473,348</u>
Fiduciary		
Police Pension	General	61,748
Firefighters' Pension	General	<u>53,304</u>
		<u>115,052</u>
<b>TOTAL</b>		<u><u>\$ 588,400</u></u>

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

- \$469,881 due to the General Fund from Downtown Redevelopment Construction Fund. The balance represents a short-term operating loan. A few TIF related expenditures in 2015 and 2016 caused the deficit. The cash shortage is temporary and the fund is expected to have a positive fund balance within two years.
- \$61,748 due to the Police Pension Fund from the General Fund. This was the contributions due for 2015 tax collections received in January and February 2016.
- \$53,304 due to the Firefighters' Pension Fund from the General Fund. This was the contributions due for 2015 tax collections received in January and February 2016.

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

- \$81,599 transferred to the Business District Fund from the General Fund for the business district portion of 2014 Sales Tax not transferred in 2014.
  - \$200,000 transferred to Nonmajor Business-Type Fund from the General Fund. The transfer is to support operations of the Parking System Revenue Fund. This transfer replenishes fund balance to the level prescribed in fund balance policy.
- a. As of December 31, 2015, the Downtown Redevelopment Construction Fund had a deficit fund balance of \$447,329.

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

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**9. CONTINGENT LIABILITIES**

a. Litigation

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

b. Grants

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

**10. JOINT VENTURES**

a. Solid Waste Agency of Northern Cook County

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

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

Complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County administrative office at 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.

**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)

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

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

In accordance with the contract, the Village made payments totaling \$1,175,814 to SWANCC in 2015. The payments have been recorded in the Refuse Disposal Fund. The Village does not have an equity interest in SWANCC at December 31, 2015.

b. Northwest Suburban Municipal Joint Action Water Agency

Description of Joint Venture

The Village is a member of Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate, and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of April 30, 2015 are as follows:

	Percent 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	<hr/> 10.73%
 TOTAL	 <hr/> 100.00%

**10. JOINT VENTURES (Continued)**

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

Description of Joint Venture (Continued)

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

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

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

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 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.

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

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**10. JOINT VENTURES (Continued)**

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

Description of Joint Venture (Continued)

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

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

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

In accordance with the joint venture agreement, the Village remitted \$6,443,522 to JAWA for 2015. Deposits with JAWA in the amount of \$697,247 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).

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

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

b. Benefits Provided (Continued)

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

All retirees contribute 100% of the actuarially determined premium to the Plan. For the fiscal year ended December 31, 2015, retirees contributed \$799,473.

c. Membership

At December 31, 2015 (census date), membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	78
Active employees	<u>271</u>
<b>TOTAL</b>	<b><u>349</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.



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

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

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 2015 and the two preceding years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 583,180	\$ 275,814	47.29%	\$ 603,068
2014	607,350	287,447	47.33%	922,971
2015	682,426	362,130	53.07%	1,243,267

The net OPEB obligation as of December 31, 2015 was calculated as follows:

Annual required contribution	\$ 679,933
Interest on net OPEB obligation	32,304
Adjustment to annual required contribution	<u>(29,811)</u>
Annual OPEB cost	682,426
Contributions made	<u>(362,130)</u>
Increase in net OPEB obligation	320,296
Net OPEB obligation, beginning of year	<u>922,971</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 1,243,267</u></b>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of December 31, 2014 (latest information available) was as follows:

Actuarial accrued liability (AAL)	\$ 10,485,116
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	10,485,116
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 27,084,313
UAAL as a percentage of covered payroll	38.71%

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

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

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

and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 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 2.1% with an ultimate healthcare inflation rate of 5.5%. 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, 2014 was 30 years.

**12. EMPLOYEE RETIREMENT SYSTEMS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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

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

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.

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 2015 was 11.46%.

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Inactive plan members currently receiving benefits	216
Inactive plan members entitled to but not yet receiving benefits	174
Active plan members	<u>244</u>
<b>TOTAL</b>	<b><u><u>634</u></u></b>

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

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Discount rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market

*Discount Rate*

The discount rate used to measure the IMRF total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and therefore was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used 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)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 88,324,160	\$ 81,196,743	\$ 7,127,417
Changes for the period			
Service cost	1,810,785	-	1,810,785
Interest	6,548,331	-	6,548,331
Difference between expected and actual experience	(1,203,005)	-	(1,203,005)
Changes in assumptions	113,021	-	113,021
Employer contributions	-	1,863,011	(1,863,011)
Employee contributions	-	731,552	(731,552)
Net investment income	-	403,461	(403,461)
Benefit payments and refunds	(3,603,793)	(3,603,793)	-
Other (net transfer)	-	(348,936)	348,936
Net changes	3,665,339	(954,705)	4,620,044
BALANCES AT DECEMBER 31, 2015	\$ 91,989,499	\$ 80,242,038	\$ 11,747,461

**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)

*Changes in the Net Pension Liability (Continued)*

The table presented on the previous page includes amounts for both the Village and the Library. The Village's collective share of the net pension liability at January 1, 2015, the employer contributions, and the net pension liability at December 31, 2015 was \$5,212,280, \$1,362,420, and \$8,590,918, respectively. The Library's collective share of the net pension liability at January 1, 2015, the employer contributions, and the net pension liability at December 31, 2015 was \$1,915,137, \$500,591, and \$3,156,543, respectively.

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

For the year ended December 31, 2015, the Village recognized pension expense of \$(187,722).

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 806,165	\$ 899,920
Changes in assumption	1,676,199	-
Net difference between projected and actual earnings on pension plan investments	5,157,307	-
<b>TOTAL</b>	<b>\$ 7,639,671</b>	<b>\$ 899,920</b>

The deferred outflows of resources presented in the table above include amounts for both the Village and the Library. The Village's collective share of the deferred outflows of resources at December 31, 2015, was \$4,928,780. The Library's collective share of the deferred outflows of resources at December 31, 2015, was \$1,810,971.

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending December 31,</u>	
2016	\$ 1,626,971
2017	1,626,971
2018	850,610
2019	<u>824,228</u>
 TOTAL	 <u><u>\$ 4,928,780</u></u>

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability (Village)	\$ 17,546,541	\$ 8,590,918	\$ 1,216,103
Net pension liability (Library)	6,447,088	3,156,543	446,830
 Net pension liability (total)	 <u>\$ 23,993,629</u>	 <u>\$ 11,747,461</u>	 <u>\$ 1,662,933</u>

**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

*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, 2015, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>82</u>
 TOTAL	 <u><u>157</u></u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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.



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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 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.

*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, 2015, the Village's contribution was 36.3% of covered payroll. The Village utilizes the entry age normal actuarial cost method to fund the plan.

*Investment Policy*

The Police Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois 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

**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)

*Investment Policy* (Continued)

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	45.0%	2.3%
Large Cap Domestic Equities	38.5%	7.1%
Small Cap Domestic Equities	11.0%	9.2%
International Equities	5.5%	7.3%

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

Asset class returns are from *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar* for the period of December 31, 1925 through December 31, 2014. The international equity equals the MSCI EAFE Index for the period December 31, 1976 through December 31, 2014. 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 Fund has a high percentage of its investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Fund's portfolio at any time. In addition, the following allocations are desired: depository accounts and money market mutual funds at 1% to 5%, fixed income securities at 40% to 44%, and equity securities at 55%.

At December 31, 2015, there were no significant investments (other than United States Government guaranteed obligations or mutual funds) in any one organization that represent 5% or more of the Fund's investments.

*Investment Rate of Return*

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk - Deposits with Financial Institutions*

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

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 4,797,810	\$ 1,287,500	\$ 1,756,872	\$ 1,646,157	\$ 107,281
U.S. agencies	6,809,078	-	257,234	766,623	5,785,221
State, local, and municipal bonds	2,166,027	-	499,613	127,597	1,538,817
Corporate bonds	9,065,676	256,920	5,654,522	2,662,590	491,644
<b>TOTAL</b>	<b>\$ 22,838,591</b>	<b>\$ 1,544,420</b>	<b>\$ 8,168,241</b>	<b>\$ 5,202,967</b>	<b>\$ 7,922,963</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 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.

*Credit Risk*

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk - Investments*

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

*Net Pension Liability*

The components of the net pension liability of the Police Pension Plan as of December 31, 2015 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 98,409,322	\$ 58,819,925	\$ 39,589,397
Changes for the period			
Service cost	1,777,310	-	1,777,310
Interest	7,210,826	-	7,210,826
Difference between expected and actual experience	95,650	-	95,650
Changes in assumptions	7,268,193	-	7,268,193
Employer contributions	-	2,918,395	(2,918,395)
Employee contributions	-	795,827	(795,827)
Net investment income	-	545,802	(541,345)
Benefit payments and refunds	(4,529,962)	(4,529,962)	-
Administrative expense	-	(49,947)	45,490
Net changes	11,822,017	(319,885)	12,141,902
BALANCES AT DECEMBER 31, 2015	\$ 110,231,339	\$ 58,500,040	\$ 51,731,299

**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)

*Net Pension Liability* (Continued)

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

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

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
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-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

**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*

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 Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Interest Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.5% 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 66,839,426	\$ 51,731,299	\$ 39,335,616

**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)

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

For the year ended December 31, 2015, the Village recognized police pension expense of \$4,857,457. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 76,895
Changes in assumption	5,843,057
Net difference between projected and actual earnings on pension plan investments	<u>1,364,493</u>
<b>TOTAL</b>	<b><u>\$ 7,284,445</u></b>

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

<u>Period Ending December 31,</u>	
2016	\$ 1,785,014
2017	1,785,014
2018	1,785,014
2019	1,785,014
Thereafter	<u>144,389</u>
<b>TOTAL</b>	<b><u>\$ 7,284,445</u></b>



**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

*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, 2015, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	80
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	66
 TOTAL	 146

*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.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. 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 proceeding calendar year.

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended December 31, 2015, the Village's contribution was 39.3% of covered payroll. The Village utilizes the entry age normal actuarial cost method to fund the plan.

*Investment Policy*

The Firefighters' Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments

**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)

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Fixed Income	35%	2.5%
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.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

At December 31, 2015, there were no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Rate of Return*

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.38%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Custodial Credit Risk - Deposits with Financial Institutions*

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

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 2,860,872	\$ 474,975	\$ 1,169,401	\$ 1,216,496	\$ -
U.S. agencies	7,355,101	78,879	732,784	1,140,104	5,403,334
State, local, and municipal bonds	886,715	75,741	719,781	91,193	-
Corporate bonds	8,131,772	163,215	4,079,332	3,217,768	671,457
<b>TOTAL</b>	<b>\$ 19,234,460</b>	<b>\$ 792,810</b>	<b>\$ 6,701,298</b>	<b>\$ 5,665,561</b>	<b>\$ 6,074,791</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 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.

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The 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 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.

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Custodial Credit Risk - Investments*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment 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, 2015 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 85,904,197	\$ 56,568,339	\$ 29,335,858
Changes for the period			
Service cost	1,515,101	-	1,515,101
Interest	6,270,507	-	6,270,507
Difference between expected and actual experience	1,603,162	-	1,603,162
Changes in assumptions	7,648,623	-	7,648,623
Employer contributions	-	2,532,317	(2,532,316)
Employee contributions	-	606,932	(606,932)
Net investment income	-	1,806,126	(1,801,651)
Benefit payments and refunds	(4,594,876)	(4,594,876)	-
Administrative expense	-	(62,136)	57,660
Net changes	12,442,517	288,363	12,154,154
BALANCES AT DECEMBER 31, 2015	\$ 98,346,714	\$ 56,856,702	\$ 41,490,012

**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)

*Net Pension Liability (Continued)*

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.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
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-2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The actuarial assumptions used in the December 31, 2015 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 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)

*Interest Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.5% 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 53,515,730	\$ 41,490,012	\$ 31,468,967

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

For the year ended December 31, 2015, the Village recognized firefighter's pension expense of \$4,403,752. At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighter's pension from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 1,321,906
Changes in assumption	6,306,759
Net difference between projected and actual earnings on pension plan investments	<u>121,737</u>
<b>TOTAL</b>	<u><u>\$ 7,750,402</u></u>



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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

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

<u>Period Ending December 31,</u>	
2016	\$ 1,653,554
2017	1,653,554
2018	1,653,554
2019	1,653,554
Thereafter	<u>1,136,186</u>
<b>TOTAL</b>	<b><u>\$ 7,750,402</u></b>

b. Fiduciary Funds Summary Financial Information

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

Statement of Net Position

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,021,916	\$ 1,149,732	\$ 2,171,648
Investments			
State and local obligations	2,166,027	886,715	3,052,742
U.S. Government and U.S. agency obligations	11,606,888	10,881,287	22,488,175
Corporate bonds and obligations	9,065,676	7,466,458	16,532,134
Real estate	-	2,710,469	2,710,469
Mutual funds	34,459,260	33,701,726	68,160,986
Receivables, net of allowances			
Accrued interest	147,209	109,829	257,038
Due from other funds	61,748	53,304	115,052
Prepaid	375	1,420	1,795
	<u>58,529,099</u>	<u>56,960,940</u>	<u>115,490,039</u>
<b>Total assets</b>			

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

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

b. Fiduciary Funds Summary Financial Information (Continued)

Statement of Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 29,059	\$ 104,238	\$ 133,297
Total liabilities	29,059	104,238	133,297
<b>NET POSITION</b>	<b>\$ 58,500,040</b>	<b>\$ 56,856,702</b>	<b>\$ 115,356,742</b>

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,918,395	\$ 2,532,317	\$ 5,450,712
Employee	795,827	606,932	1,402,759
Total contributions	3,714,222	3,139,249	6,853,471
Invest income			
Net appreciation in fair value of investments	790,995	640,540	1,431,535
Interest income	(140,069)	1,245,789	1,105,720
Less investment expense	(105,124)	(80,203)	(185,327)
Net investment income	545,802	1,806,126	2,351,928
Total additions	4,260,024	4,945,375	9,205,399
<b>DEDUCTIONS</b>			
Administrative	49,947	62,136	112,083
Pension benefits and refunds	4,529,962	4,594,876	9,124,838
Total deductions	4,579,909	4,657,012	9,236,921
<b>NET INCREASE (DECREASE)</b>	<b>(319,885)</b>	<b>288,363</b>	<b>(31,522)</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	58,819,925	56,568,339	115,388,264
December 31	\$ 58,500,040	\$ 56,856,702	\$ 115,356,742

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

**13. CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT**

In 2015, the Village adopted Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The new standard requires the village to recognize a liability in its government-wide financial statements for the net pension liability associated with its pension plans. This net pension liability replaces the previously recognized net pension obligations for IMRF, the Police Pension Plan and Firefighters' Pension Plan.

The governmental fund financial statements are not affected by the new standard. Pension expenditures in the governmental funds continue to be recognized equal to the total of (a) amounts paid by the Village to the pension plans and (b) the change between the beginning and ending balances of amounts of contributions currently payable to the pensions.

Additionally, the Village solicited services for an asset appraisal to be performed during the current fiscal year. As a result, an adjustment to the beginning balance of capital assets was required and reported as a prior period adjustment.

Activity	Net Position		
	January 1, 2015, as Previously Reported	Adjustment	December 31, 2015, as Restated
NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 40,071,532	\$ -	\$ (33,787,747)
Appraisal of capital assets, prior period adjustments	-	(890,353)	-
Retirement of net pension asset - police	-	(448,716)	-
Retirement of NPO - firefighters	-	150,367	-
Retirement of NPO - IMRF	-	478,357	-
Net pension liability - police	-	(39,589,397)	-
Net pension liability - firefighters	-	(29,335,858)	-
Net pension liability - IMRF	-	(4,223,679)	-
NET POSITION - BUSINESS-TYPE ACTIVITIES	34,589,818	-	32,794,440
Appraisal of capital assets, prior period adjustments	-	(806,777)	-
Net pension liability - IMRF	-	(988,601)	-
TOTAL GOVERNMENT-WIDE NET POSITION	\$ 74,661,350	\$ (75,654,657)	\$ (993,307)
	Fund Balance		
NET POSITION -VEHICLE REPLACEMENT FUND (Included as part of Governmental Activities)			
Appraisal of capital assets, prior period adjustments	\$ 12,409,018	\$ (2,675)	\$ 12,406,343

**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, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 15,330,000	\$ 15,330,000	\$ 15,317,183
Other taxes	6,686,566	7,666,566	7,576,586
Licenses, permits, and fees	2,148,500	2,362,500	2,428,969
Intergovernmental	20,068,700	20,683,104	22,447,427
Charges for services	1,887,923	2,013,923	1,699,217
Fines and forfeits	428,000	478,000	511,536
Investment income	5,918	5,918	8,612
Miscellaneous	262,800	262,800	331,383
<b>Total revenues</b>	<b>46,818,407</b>	<b>48,802,811</b>	<b>50,320,913</b>
<b>EXPENDITURES</b>			
General government	6,393,071	6,749,753	6,321,419
Public safety	30,406,310	30,761,778	30,260,965
Highways and streets	7,735,528	7,784,256	6,935,457
Health	158,827	158,827	148,731
Welfare	1,614,981	1,675,169	1,529,810
Culture and recreation	509,690	510,600	467,611
<b>Total expenditures</b>	<b>46,818,407</b>	<b>47,640,383</b>	<b>45,663,993</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	-	(81,599)	(281,599)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(81,599)</b>	<b>(281,599)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 1,080,829</b>	<b>4,375,321</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>12,845,622</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 17,220,943</b>

(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, 2015

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Charges for services	\$ 3,934,500	\$ 3,934,500	\$ 3,965,181
Investment income	500	500	309
Miscellaneous	11,000	11,000	13,327
Total revenues	<u>3,946,000</u>	<u>3,946,000</u>	<u>3,978,817</u>
<b>EXPENDITURES</b>			
Health			
Refuse disposal division			
Personal services	236,644	236,644	250,239
Employee benefits	110,436	110,436	115,691
Other employee costs	1,248	1,248	-
Contractual services	4,294,934	4,299,676	4,005,949
Utilities	447	447	246
Insurance	31,809	31,809	31,810
Commodities and supplies	38,446	38,446	36,490
Total expenditures	<u>4,713,964</u>	<u>4,718,706</u>	<u>4,440,425</u>
NET CHANGE IN FUND BALANCE	<u>\$ (767,964)</u>	<u>\$ (772,706)</u>	(461,608)
FUND BALANCE, JANUARY 1			<u>1,652,809</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,191,201</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015

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	<u>2015</u>
Actuarially determined contribution	\$ 1,362,421
Contributions in relation to the actuarially determined contribution	<u>1,362,421</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 11,923,390
Contributions as a percentage of covered-employee payroll	11.43%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 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	\$ 2,909,868
Contributions in relation to the actuarially determined contribution	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	2,918,395
<b>CONTRIBUTION DEFICIENCY (Excess)</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>	<b>\$ (8,527)</b>
Covered-employee payroll	\$ 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	\$ 8,049,995
Contributions as a percentage of covered-employee payroll	19.7%	18.9%	19.9%	21.1%	30.8%	33.0%	31.9%	32.4%	37.3%	36.3%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, after closed and the amortization period was 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 5.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)



VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 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	\$ 2,526,101
Contributions in relation to the actuarially determined contribution	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	2,532,316
<b>CONTRIBUTION DEFICIENCY (Excess)</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>	<b>\$ (6,215)</b>
Covered-employee payroll	\$ 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	\$ 6,441,588
Contributions as a percentage of covered-employee payroll	21.9%	23.4%	24.2%	24.9%	32.7%	34.8%	36.8%	36.8%	38.0%	39.3%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, after closed and the amortization period was 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 5.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2015

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
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%
2015	362,130	679,933	53.26%

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2015

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	<u>2015</u>
Employer's proportion of net pension liability	73.13%
Employer's proportionate share of net pension liability	\$ 8,590,918
Employer's covered-employee payroll	11,923,390
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.05%
Plan fiduciary net position as a percentage of the total pension liability	87.23%

(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, 2015

	<b>2014</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,890,407	\$ 1,777,310
Investment income	6,479,504	7,210,826
Changes of benefit terms	-	-
Differences between expected and actual experience	860,183	95,650
Changes of assumptions	4,844,398	7,268,193
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)
	9,957,372	11,822,017
Net change in total pension liability		
Total pension liability - beginning	88,451,950	98,409,322
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 98,409,322</b>	<b>\$ 110,231,339</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 2,924,226	\$ 2,918,395
Contributions - member	851,363	795,827
Net investment income	3,845,862	545,802
Benefit payments, including refunds of member contributions	(4,117,120)	(4,529,962)
Administrative expense	(60,382)	(49,947)
	3,443,949	(319,885)
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning	55,375,976	58,819,925
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 58,819,925</b>	<b>\$ 58,500,040</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 39,589,397</b>	<b>\$ 51,731,299</b>
Plan fiduciary net position as a percentage of the total pension liability	59.80%	53.10%
Covered-employee payroll	\$ 7,848,795	\$ 8,049,995
Employer's net pension liability as a percentage of covered-employee payroll	504.40%	642.60%
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, 2015

	<b>2014</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,673,836	\$ 1,515,101
Investment income	5,780,241	6,270,507
Differences between expected and actual experience	225,575	1,603,162
Changes of assumptions	3,234,155	7,648,623
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)
	6,754,819	12,442,517
Net change in total pension liability	6,754,819	12,442,517
Total pension liability - beginning	79,149,378	85,904,197
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 85,904,197</b>	<b>\$ 98,346,714</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 2,466,165	\$ 2,532,317
Contributions - member	644,384	606,932
Net investment income	3,963,252	1,806,126
Benefit payments, including refunds of member contributions	(4,158,988)	(4,594,876)
Administrative expense	(62,889)	(62,136)
	2,851,924	288,363
Net change in plan fiduciary net position	2,851,924	288,363
Plan fiduciary net position - beginning	53,716,415	56,568,339
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 56,568,339</b>	<b>\$ 56,856,702</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 29,335,858</b>	<b>\$ 41,490,012</b>
Plan fiduciary net position as a percentage of the total pension liability	65.90%	57.80%
Covered-employee payroll	\$ 6,495,510	\$ 6,441,588
Employer's net pension liability as a percentage of covered-employee payroll	451.60%	644.10%
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 FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFITS PLAN

December 31, 2015

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>(6) UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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
2014	-	10,485,116	0.00%	10,485,116	27,084,313	38.71%

N/A - Information not available.

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

December 31, 2015

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	<u>2014</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	6.92%	0.92%

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2015

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	<u>2014</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	7.60%	3.38%

(See independent auditor's report.)



# VILLAGE OF MOUNT PROSPECT, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

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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 of Trustees. The budget figures included in this report reflect all budget amendments made during the year.

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

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **SPECIAL REVENUE FUND**

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

### **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 provided by home rule sales taxes, service charges, and investment income.

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2015

	Budget		Actual
	Original	Final	
<b>TAXES</b>			
Property taxes - general	\$ 9,914,000	\$ 9,914,000	\$ 9,885,950
Property taxes - police pension	2,840,000	2,840,000	2,846,450
Property taxes - firefighters' pension	2,456,000	2,456,000	2,461,766
Road and bridge property taxes	120,000	120,000	123,017
Auto rental tax	20,000	20,000	20,978
Food and beverage tax	755,000	755,000	759,073
Real estate transfer tax	800,000	1,350,000	1,371,699
Hotel/motel tax	255,566	255,566	282,645
Telecommunications tax	1,650,000	2,150,000	2,133,343
Home rule sales tax	1,346,000	1,346,000	1,367,462
Gas utility tax	615,000	615,000	505,772
Electric utility tax	1,245,000	1,175,000	1,135,614
Total taxes	22,016,566	22,996,566	22,893,769
<b>LICENSES, PERMITS, AND FEES</b>			
Liquor licenses	160,000	160,000	167,388
Business licenses	135,000	135,000	141,055
Contractor licenses	50,000	50,000	55,250
Alarm licenses	16,000	16,000	47,799
Elevator licenses	30,000	30,000	20,050
Building permit fees	550,000	700,000	744,549
Electrical permit fees	8,000	8,000	14,695
Permit penalties	1,000	1,000	-
Plumbing permit fees	22,000	22,000	511
Reinspection fees	65,000	65,000	43,800
Vacant structure registration fees	2,500	2,500	5,500
Truck rental fees	1,000	1,000	520
Utility permit fees	4,000	4,000	3,400
Plan examination fees	10,000	10,000	6,585
Stormwater detention	15,000	15,000	5,098
Street opening fees	2,000	2,000	915
ZBA hearing fees	15,000	15,000	16,850
Public improvement inspections	1,000	30,000	26,862
Village impact fees	-	-	26,050
False alarm fees	10,000	10,000	8,430
Landlord/tenant fees	280,000	315,000	315,030
Cable TV franchise	771,000	771,000	778,632
Total licenses, permits, and fees	2,148,500	2,362,500	2,428,969
<b>INTERGOVERNMENTAL</b>			
State sales tax	13,418,000	14,000,000	15,003,273
State income tax	5,200,000	5,200,000	5,763,542
State use tax	930,000	930,000	1,184,603
Charitable games tax	4,000	4,000	-
Incremental taxes	97,500	97,500	99,695

(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, 2015

	Budget		Actual
	Original	Final	
<b>INTERGOVERNMENTAL (Continued)</b>			
Replacement taxes	\$ 395,000	\$ 425,000	\$ 378,233
Replacement taxes - road and bridge	8,000	8,000	7,922
Grant - tobacco enforcement	4,000	4,000	-
Grant - body armor	7,200	7,200	8,280
Grant - NACCHO	5,000	7,404	1,079
Grant - other grants	-	-	800
Total intergovernmental	20,068,700	20,683,104	22,447,427
<b>CHARGES FOR SERVICES</b>			
Water and sewer service charge	520,000	520,000	250,000
Parking service charge	48,500	48,500	-
Maintenance of state highways	99,000	99,000	48,523
Ambulance transport fees	894,000	1,020,000	1,062,841
Forest River Rural FPD	53,000	53,000	51,421
Cable programming fees	25,223	25,223	25,077
Other programs	37,500	37,500	32,075
Special detail revenue	35,000	35,000	41,667
Police training revenue	9,000	9,000	21,560
Fire training revenue	17,500	17,500	16,709
Lease payments - cell tower	133,000	133,000	133,144
General store lease	16,200	16,200	16,200
Total charges for services	1,887,923	2,013,923	1,699,217
<b>FINES AND FORFEITS</b>			
Fines - parking	200,000	250,000	274,269
Fines - local ordinances	5,000	5,000	2,880
Fines - code enforcement	25,000	25,000	48,269
Fines - circuit court	165,000	165,000	136,328
Fines - parental responsibility	3,000	3,000	2,550
Forfeited escrow funds	30,000	30,000	47,240
Total fines and forfeits	428,000	478,000	511,536
<b>INVESTMENT INCOME</b>			
Investment income	3,100	3,100	7,296
Interest - escrow funds	2,818	2,818	1,316
Total investment income	5,918	5,918	8,612
<b>MISCELLANEOUS</b>			
Reimburse - high school youth officer	88,000	88,000	90,817
Reimburse - Library	28,000	28,000	27,178
Shared cost - sidewalk	25,000	25,000	13,438
Shared cost - tree replacement	30,000	30,000	26,828
Reimburse - Village property	20,000	20,000	21,216

(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, 2015

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	Budget		Actual
	Original	Final	
<b>MISCELLANEOUS (Continued)</b>			
Other reimbursements	\$ 10,000	\$ 10,000	\$ 37,763
Human services revenue	8,800	8,800	16,986
Fire and police reports	5,000	5,000	5,945
Animal release fees	500	500	150
Subpoena fees	1,000	1,000	365
Other revenue	46,500	46,500	90,697
Total miscellaneous	262,800	262,800	331,383
<b>TOTAL REVENUES</b>	<u>\$ 46,818,407</u>	<u>\$ 48,802,811</u>	<u>\$ 50,320,913</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

For the Year Ended December 31, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>GENERAL GOVERNMENT</b>			
Public representation - administration	\$ 125,884	\$ 126,334	\$ 137,716
Village administration	3,517,712	3,816,312	3,529,065
Finance department	1,958,096	1,991,728	1,945,587
Community development - administration	744,923	768,923	662,596
Benefit payments	46,456	46,456	46,455
Total general government	6,393,071	6,749,753	6,321,419
<b>PUBLIC SAFETY</b>			
Community development - code enforcement	889,875	889,875	812,292
Police department	16,536,856	16,637,444	16,277,671
Fire department	12,979,579	13,234,459	13,171,002
Total public safety	30,406,310	30,761,778	30,260,965
<b>HIGHWAYS AND STREETS</b>			
Public works department	7,735,528	7,784,256	6,935,457
Total highways and streets	7,735,528	7,784,256	6,935,457
<b>HEALTH</b>			
Community development - health	158,827	158,827	148,731
<b>WELFARE</b>			
Human services department	1,060,839	1,067,027	1,048,464
Community development - housing	554,142	608,142	481,346
Total welfare	1,614,981	1,675,169	1,529,810
<b>CULTURE AND RECREATION</b>			
Public representation - community and civic services	509,690	510,600	467,611
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,818,407</b>	<b>\$ 47,640,383</b>	<b>\$ 45,663,993</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, 2015

	Budget		Actual
	Original	Final	
<b>GENERAL GOVERNMENT</b>			
Public representation - administration			
Mayor and Board of Trustees			
Personal services	\$ 31,995	\$ 35,928	\$ 39,762
Employee benefits	5,956	8,156	9,864
Other employee costs	2,900	3,350	3,228
Contractual services	75,964	76,219	80,773
Utilities	431	431	317
Commodities and supplies	2,050	2,250	3,772
Total Mayor and Board of Trustees	119,296	126,334	137,716
Advisory boards and commissions			
Personal services	3,933	-	-
Employee benefits	2,200	-	-
Contractual services	255	-	-
Commodities and supplies	200	-	-
Total advisory boards and commissions	6,588	-	-
Total public representation - administration	125,884	126,334	137,716
Village administration			
Village Manager's office			
Personal services	416,130	508,635	525,083
Employee benefits	190,180	213,180	239,109
Other employee costs	7,695	9,695	5,746
Contractual services	9,999	9,999	9,226
Utilities	2,940	2,940	2,731
Commodities and supplies	5,078	7,078	6,989
Capital expenditures	200	200	200
Total Village Manager's office	632,222	751,727	789,084
Legal services			
Contractual services	455,800	608,300	611,991
Human resources			
Personal services	188,315	188,315	195,903
Employee benefits	127,956	127,956	90,922
Other employee costs	15,897	21,677	20,635
Contractual services	3,800	24,615	23,858
Commodities and supplies	600	600	490
Total human resources	336,568	363,163	331,808
Information technology			
Personal services	435,760	435,760	371,424
Employee benefits	187,456	187,456	152,906
Other employee costs	5,712	5,712	7,057
Contractual services	678,387	678,387	606,843
Utilities	5,304	5,304	5,058
Commodities and supplies	4,354	4,354	1,965
Capital expenditures	5,585	5,585	5,491
Total information technology	1,322,558	1,322,558	1,150,744

(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, 2015

	Budget		Actual
	Original	Final	
<b>GENERAL GOVERNMENT (Continued)</b>			
Village administration (Continued)			
Public information			
Personal services	\$ 65,551	\$ 65,551	\$ 62,726
Employee benefits	34,843	34,843	32,671
Other employee costs	6,630	6,630	757
Contractual services	142,243	142,243	86,749
Utilities	884	884	952
Commodities and supplies	1,329	1,329	139
Total public information	251,480	251,480	183,994
Television services division			
Personal services	95,034	95,034	101,293
Employee benefits	44,079	44,079	45,275
Other employee costs	1,980	1,980	566
Contractual services	30,508	30,508	26,872
Utilities	1,613	1,613	1,232
Commodities and supplies	5,723	5,723	4,449
Capital expenditures	8,400	8,400	8,422
Total television services division	187,337	187,337	188,109
Computer hardware/software			
Capital expenditures	113,200	113,200	63,644
Total computer hardware/software	113,200	113,200	63,644
Village Clerk's office			
Administration and support			
Personal services	128,525	128,525	127,304
Employee benefits	57,963	57,963	62,392
Other employee costs	951	951	293
Contractual services	29,261	29,261	18,298
Utilities	807	807	616
Commodities and supplies	1,040	1,040	788
Total Village Clerk's office	218,547	218,547	209,691
Total Village administration	3,517,712	3,816,312	3,529,065
Finance department			
Administration and support			
Personal services	131,187	140,525	143,504
Employee benefits	41,275	43,059	42,022
Other employee costs	12,695	12,695	14,133
Contractual services	220,803	220,803	203,847
Utilities	4,932	4,932	4,691
Commodities and supplies	23,451	23,451	18,387
Capital expenditures	-	33,632	33,631
Total administration and support	434,343	479,097	460,215
Accounting			
Personal services	337,818	346,119	339,472
Employee benefits	156,838	158,424	153,854
Contractual services	4,221	4,221	1,968
Commodities and supplies	5,690	5,690	6,812
Total accounting	504,567	514,454	502,106

(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, 2015

	Budget		Actual
	Original	Final	
<b>GENERAL GOVERNMENT (Continued)</b>			
Finance department (Continued)			
Insurance			
Personal services	\$ 35,083	\$ 35,083	\$ 36,188
Employee benefits	11,114	11,114	11,814
Insurance	415,398	415,398	415,143
Total insurance	461,595	461,595	463,145
Customer service			
Personal services	320,113	328,414	328,635
Employee benefits	123,511	125,097	124,404
Contractual services	68,193	68,193	59,348
Commodities and supplies	13,628	13,628	7,734
Total customer service	525,445	535,332	520,121
Cash management			
Personal services	25,939	-	-
Employee benefits	4,957	-	-
Total cash management	30,896	-	-
Computer hardware			
Capital expenditure	1,250	1,250	-
Total finance department	1,958,096	1,991,728	1,945,587
Community development - administration			
Administration and support			
Personal services	192,707	192,707	212,483
Employee benefits	109,617	133,617	124,568
Other employee costs	3,900	3,900	3,501
Utilities	2,147	2,147	616
Commodities and supplies	1,040	1,040	1,117
Total administration and support	309,411	333,411	342,285
Planning and zoning			
Personal services	198,981	198,981	138,592
Employee benefits	59,039	59,039	51,454
Other employee costs	7,265	7,265	5,487
Contractual services	23,867	23,867	16,101
Utilities	1,248	1,248	924
Commodities and supplies	3,485	3,485	2,213
Total planning and zoning	293,885	293,885	214,771
Economic development			
Personal services	62,570	62,570	58,085
Employee benefits	22,497	22,497	15,824
Other employee costs	1,560	1,560	250
Contractual services	55,000	55,000	31,381
Total economic development	141,627	141,627	105,540
Total community development - administration	744,923	768,923	662,596

(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, 2015

	Budget		Actual
	Original	Final	
<b>GENERAL GOVERNMENT (Continued)</b>			
Benefit payments			
Contractual services	\$ 46,456	\$ 46,456	\$ 46,455
Total benefit payments	46,456	46,456	46,455
Total general government	6,393,071	6,749,753	6,321,419
<b>PUBLIC SAFETY</b>			
Community development - code enforcement			
Building inspections			
Personal services	330,101	330,101	310,275
Employee benefits	155,377	155,377	151,179
Other employee costs	7,601	7,601	3,477
Contractual services	379,144	379,144	331,379
Utilities	9,477	9,477	9,162
Commodities and supplies	8,175	8,175	6,820
Total community development - code enforcement	889,875	889,875	812,292
Police department			
Administration and support			
Personal services	423,650	423,650	437,064
Employee benefits	3,268,227	3,268,227	3,271,548
Other employee costs	161,316	161,316	141,985
Contractual services	84,596	84,596	57,644
Utilities	26,586	26,586	33,516
Commodities and supplies	20,674	20,674	16,826
Capital expenditures	13,625	31,025	7,547
Total administration and support	3,998,674	4,016,074	3,966,130
Records			
Personal services	276,900	276,900	271,471
Employee benefits	96,727	96,727	118,336
Total records	373,627	373,627	389,807
Patrol and traffic enforcement			
Personal services	6,715,702	6,798,890	6,934,420
Employee benefits	1,260,544	1,260,544	1,306,022
Contractual services	594,558	594,558	554,916
Commodities and supplies	73,170	73,170	68,541
Capital expenditures	6,650	6,650	4,008
Total patrol and traffic enforcement	8,650,624	8,733,812	8,867,907
Technical services			
Personal services	283,242	283,242	166,014
Employee benefits	84,827	84,827	67,081
Total technical services	368,069	368,069	233,095
Auxiliary service			
Personal services	214,653	214,653	212,057
Employee benefits	77,368	77,368	80,885
Total auxiliary services	292,021	292,021	292,942

(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, 2015

	Budget		Actual
	Original	Final	
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Crime prevention and public services			
Personal services	\$ 124,949	\$ 124,949	\$ 125,871
Employee benefits	37,839	37,839	38,605
Other employee costs	2,000	2,000	2,000
Contractual services	4,116	4,116	70
Commodities and supplies	8,000	8,000	7,960
Total crime prevention and public services	176,904	176,904	174,506
Investigative			
Personal services	1,497,673	1,497,673	1,278,669
Employee benefits	295,899	295,899	249,749
Contractual services	39,055	39,055	30,842
Utilities	10,300	10,300	-
Commodities and supplies	4,665	4,665	2,381
Capital expenditures	816	816	-
Total investigative	1,848,408	1,848,408	1,561,641
Equipment maintenance			
Contractual services	801,165	801,165	769,507
Commodities and supplies	15,914	15,914	11,006
Capital expenditures	5,850	5,850	5,771
Total equipment maintenance	822,929	822,929	786,284
Computer software/hardware			
Capital expenditures	5,600	5,600	5,359
Total police department	16,536,856	16,637,444	16,277,671
Fire department			
Administration and support			
Personal services	615,170	615,170	597,501
Employee benefits	2,827,549	2,937,549	2,932,366
Other employee costs	75,766	75,934	77,035
Contractual services	37,337	41,787	67,895
Commodities and supplies	8,745	9,755	8,909
Capital expenditures	1,355	1,355	1,045
Total administration and support	3,565,922	3,681,550	3,684,751
Fire department operations			
Personal services	6,528,174	6,670,154	6,605,813
Employee benefits	1,090,437	1,090,437	1,136,160
Other employee costs	61,000	62,925	48,711
Contractual services	149,675	143,925	149,173
Commodities and supplies	13,175	9,536	9,329
Capital expenditures	87,550	100,054	109,388
Total fire department operations	7,930,011	8,077,031	8,058,574
Fire prevention			
Personal services	381,954	381,954	341,423
Employee benefits	140,111	140,111	141,015
Other employee costs	5,750	4,065	3,717
Contractual services	7,400	7,400	7,272
Commodities and supplies	8,730	12,715	11,988
Total fire prevention	543,945	546,245	505,415

(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, 2015

	Budget		Actual
	Original	Final	
<b>PUBLIC SAFETY (Continued)</b>			
Fire department (Continued)			
Communications			
Contractual services	\$ 3,620	\$ 8,814	\$ 9,964
Utilities	33,030	33,030	38,930
Commodities and supplies	1,530	1,530	-
Capital expenditures	8,500	3,306	2,598
Total communications	46,680	46,680	51,492
Equipment maintenance			
Contractual services	829,462	829,462	829,462
Total equipment maintenance	829,462	829,462	829,462
Emergency preparedness			
Other employee costs	1,275	1,275	40
Contractual services	4,080	4,080	3,458
Commodities and supplies	6,740	4,440	3,771
Total emergency preparedness	12,095	9,795	7,269
Paid on call			
Personal services	25,015	25,015	17,201
Employee benefits	1,424	1,424	1,347
Other employee costs	10,900	3,032	1,974
Capital expenditures	1,625	1,725	1,562
Total paid on call	38,964	31,196	22,084
Computer hardware			
Capital expenditure	12,500	12,500	11,955
Total fire department	12,979,579	13,234,459	13,171,002
Total public safety	30,406,310	30,761,778	30,260,965
<b>HIGHWAYS AND STREETS</b>			
Public works department			
Administration and support			
Personal services	240,484	240,484	239,465
Employee benefits	162,162	193,162	202,161
Other employee costs	26,356	26,356	25,993
Contractual services	1,058,869	1,058,869	1,051,262
Utilities	14,071	14,071	11,816
Commodities and supplies	15,103	15,103	15,501
Capital expenditures	1,513	1,513	1,407
Total administration and support	1,518,558	1,549,558	1,547,605
Street and buildings division			
Administration			
Personal services	105,287	105,287	103,269
Employee benefits	47,971	47,971	50,146
Utilities	3,225	3,225	3,591
Commodities and supplies	270	270	232
Total administration	156,753	156,753	157,238

(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, 2015

	Budget		Actual
	Original	Final	
<b>HIGHWAYS AND STREETS (Continued)</b>			
Public works department (Continued)			
Street and buildings division (Continued)			
Maintenance - public buildings			
Personal services	\$ 433,705	\$ 433,705	\$ 444,563
Employee benefits	173,235	173,235	174,183
Contractual services	361,409	361,409	286,283
Utilities	52,221	52,221	31,486
Commodities and supplies	118,560	118,560	101,874
Other expenditures	4,000	4,000	-
Total maintenance - public buildings	1,143,130	1,143,130	1,038,389
Street maintenance			
Personal services	126,231	126,231	150,847
Employee benefits	53,270	53,270	54,987
Contractual services	24,121	24,121	13,167
Commodities and supplies	27,014	27,014	25,240
Total street maintenance	230,636	230,636	244,241
Snow removal			
Personal services	343,328	343,328	328,968
Employee benefits	128,608	128,608	126,621
Contractual services	120,019	120,019	114,596
Commodities and supplies	13,416	13,416	9,230
Capital expenditures	15,300	15,300	1,878
Total snow removal	620,671	620,671	581,293
Storm sewer/basin maintenance			
Personal services	66,511	66,511	70,804
Employee benefits	23,558	23,558	23,552
Contractual services	12,143	12,143	7,079
Commodities and supplies	7,524	7,524	1,625
Total storm sewer/basin maintenance	109,736	109,736	103,060
Maintenance of state highways			
Personal services	29,932	29,932	31,987
Employee benefits	12,935	12,935	12,698
Contractual services	18,459	18,459	12,511
Commodities and supplies	29,842	29,842	5,561
Total maintenance of state highways	91,168	91,168	62,757
Traffic sign maintenance			
Personal services	77,662	77,662	90,553
Employee benefits	27,395	27,395	31,408
Commodities and supplies	24,029	24,029	23,597
Total traffic sign maintenance	129,086	129,086	145,558
Total street and buildings division	2,481,180	2,481,180	2,332,536

(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, 2015

	Budget		Actual
	Original	Final	
<b>HIGHWAYS AND STREETS (Continued)</b>			
Public works department (Continued)			
Forestry division			
Administration and support			
Personal services	\$ 156,097	\$ 156,097	\$ 95,226
Employee benefits	68,470	68,470	33,722
Commodities and supplies	450	450	467
Total administration and support	225,017	225,017	129,415
Maintenance of grounds			
Personal services	255,746	255,746	257,247
Employee benefits	90,152	90,152	88,954
Contractual services	126,394	126,394	108,037
Commodities and supplies	9,005	9,005	8,724
Capital expenditures	46,298	46,298	34,570
Total maintenance of grounds	527,595	527,595	497,532
Forestry program			
Personal services	328,508	328,508	337,988
Employee benefits	135,821	135,821	136,378
Other employee costs	6,090	6,090	3,269
Contractual services	456,941	456,941	266,127
Utilities	3,225	3,225	3,375
Commodities and supplies	11,133	11,133	9,742
Total forestry program	941,718	941,718	756,879
Public grounds beautification			
Personal services	27,522	27,522	28,824
Employee benefits	9,984	9,984	9,840
Contractual services	2,497	2,497	-
Commodities and supplies	33,491	33,491	29,439
Total public grounds beautification	73,494	73,494	68,103
Total forestry division	1,767,824	1,767,824	1,451,929
Engineering division			
Engineering services			
Personal services	616,355	616,355	629,507
Employee benefits	216,954	216,954	216,128
Other employee costs	3,696	3,696	2,765
Contractual services	61,975	65,475	61,390
Utilities	4,998	4,998	5,788
Commodities and supplies	5,571	5,571	4,829
Capital expenditures	2,270	2,270	1,722
Total engineering services	911,819	915,319	922,129
Traffic control and street lighting			
Personal services	123,890	123,890	126,379
Employee benefits	49,465	49,465	50,519
Contractual services	10,300	10,300	10,279
Utilities	76,989	76,989	39,139
Commodities and supplies	25,750	25,750	16,607
Total traffic control and street lighting	286,394	286,394	242,923
Total engineering division	1,198,213	1,201,713	1,165,052

(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, 2015

	Budget		Actual
	Original	Final	
<b>HIGHWAYS AND STREETS (Continued)</b>			
Capital expenditures			
Software development	\$ -	\$ 14,228	\$ 11,580
Computer hardware	2,930	2,930	-
Infrastructure			
Storm sewer	100,000	100,000	99,153
Resurfacing/curbs	206,700	206,700	68,423
Miscellaneous - forestry	460,123	460,123	259,179
Total capital expenditures	769,753	783,981	438,335
Total highways and streets	7,735,528	7,784,256	6,935,457
<b>HEALTH</b>			
Community development - health			
Health inspections			
Personal services	97,152	97,152	92,427
Employee benefits	46,965	46,965	45,197
Other employee costs	1,367	1,367	848
Contractual services	9,177	9,177	8,303
Utilities	1,860	1,860	493
Commodities and supplies	2,306	2,306	1,463
Total health	158,827	158,827	148,731
<b>WELFARE</b>			
Human services department			
Administration and support			
Personal services	89,434	131,425	134,885
Employee benefits	63,727	83,064	81,921
Other employee costs	1,016	1,016	988
Contractual services	22,297	20,697	9,613
Utilities	5,702	5,702	4,894
Commodities and supplies	8,066	10,470	3,066
Capital expenditures	102	1,702	1,124
Total administration and support	190,344	254,076	236,491
Social services			
Personal services	233,476	210,092	216,722
Employee benefits	85,723	83,926	87,809
Other employee costs	2,445	2,445	2,022
Commodities and supplies	500	500	215
Total social services	322,144	296,963	306,768
Nursing/health services			
Personal services	120,796	102,102	104,127
Employee benefits	58,655	48,310	48,789
Other employee costs	820	820	620
Contractual services	250	250	-
Commodities and supplies	3,078	3,078	1,784
Total nursing/health services	183,599	154,560	155,320

(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, 2015

	Budget		Actual
	Original	Final	
<b>WELFARE (Continued)</b>			
Human services department (Continued)			
Senior citizen leisure activities			
Personal services	\$ 19,568	\$ -	\$ -
Employee benefits	9,024	-	-
Total senior citizen leisure activities	28,592	-	-
Community Connections Center			
Personal services	175,375	195,030	193,075
Employee benefits	58,227	60,056	70,395
Other employee costs	871	871	586
Contractual services	94,711	94,711	83,156
Utilities	4,856	4,856	2,316
Commodities and supplies	2,120	5,904	357
Total Community Connections Center	336,160	361,428	349,885
Total human services department	1,060,839	1,067,027	1,048,464
Community development - housing			
Housing inspections			
Personal services	328,989	328,989	277,230
Employee benefits	145,506	145,506	120,699
Other employee costs	5,089	5,089	1,053
Contractual services	64,734	118,734	79,410
Utilities	5,093	5,093	493
Commodities and supplies	4,731	4,731	2,461
Total community development - housing	554,142	608,142	481,346
Total welfare	1,614,981	1,675,169	1,529,810
<b>CULTURE AND RECREATION</b>			
Community groups and miscellaneous			
Contractual services	133,030	123,940	121,979
Other expenditures	7,140	7,140	5,194
Total community groups and miscellaneous	140,170	131,080	127,173
Public relations - community and civic services			
4th of July and civic events			
Personal services	137,376	137,376	135,059
Employee benefits	48,934	48,934	41,425
Contractual services	57,049	38,049	33,793
Commodities and supplies	38,982	38,982	31,718
Total 4th of July and civic events	282,341	263,341	241,995
Centennial commission			
Contractual services	-	-	258
Commodities and supplies	-	10,000	14,827
Total centennial commission	-	10,000	15,085

(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, 2015

	Budget		Actual
	Original	Final	
<b>CULTURE AND RECREATION (Continued)</b>			
Public relations - community and civic services (Continued)			
Holiday decorations			
Personal services	\$ 9,945	\$ 9,945	\$ 8,452
Employee benefits	2,594	2,594	2,336
Contractual services	48,785	70,785	57,867
Commodities and supplies	22,369	19,369	11,890
Total holiday decorations	83,693	102,693	80,545
Blood drive program			
Personal services	1,844	1,844	1,843
Employee benefits	142	142	141
Commodities and supplies	1,500	1,500	829
Total blood drive program	3,486	3,486	2,813
Total culture and recreation	509,690	510,600	467,611
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,818,407</b>	<b>\$ 47,640,383</b>	<b>\$ 45,663,993</b>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**SPECIAL REVENUE FUND**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>CHARGES FOR SERVICES</b>			
Single-family service charges	\$ 2,584,000	\$ 2,584,000	\$ 2,602,955
Multi-family service charges	965,000	965,000	936,007
Single-family penalties	20,000	20,000	27,206
Multi-family penalties	4,000	4,000	4,029
Contract administrative fees	171,000	171,000	183,952
Refuse stickers	190,000	190,000	210,407
Recycling bins	500	500	625
Total charges for services	3,934,500	3,934,500	3,965,181
<b>INVESTMENT INCOME</b>	500	500	309
<b>MISCELLANEOUS</b>	11,000	11,000	13,327
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 3,946,000</u>	<u>\$ 3,946,000</u>	<u>\$ 3,978,817</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, 2015

	Budget		Actual
	Original	Final	
<b>REVENUES</b>			
Taxes			
Property - levy	\$ 2,254,000	\$ 2,254,000	\$ 2,254,000
Other taxes			
Home rule sales tax	988,508	988,508	1,004,276
Investment income	100	100	313
Intergovernmental revenue	42,773	1,611,629	1,612,484
Total revenues	<u>3,285,381</u>	<u>4,854,237</u>	<u>4,871,073</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	1,893,913	3,048,913	3,048,912
Interest and fiscal charges	1,384,883	1,799,864	1,799,590
Total expenditures	<u>3,278,796</u>	<u>4,848,777</u>	<u>4,848,502</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,585</u>	<u>\$ 5,460</u>	22,571
FUND BALANCE, JANUARY 1			<u>131,635</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 154,206</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Taxes			
Other taxes			
Home rule sales tax	\$ 357,000	\$ 357,000	\$ 362,695
Miscellaneous	-	30,000	32,981
Investment income	1,100	1,100	12,329
Total revenues	358,100	388,100	408,005
<b>EXPENDITURES</b>			
Capital outlay			
Public improvements			
Infrastructure	9,796,960	10,665,551	9,189,094
Other	7,400	7,400	2,480
Total expenditures	9,804,360	10,672,951	9,191,574
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (9,446,260)</u>	<u>\$ (10,284,851)</u>	(8,783,569)
<b>FUND BALANCE, JANUARY 1</b>			<u>11,427,124</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 2,643,555</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
FLOOD CONTROL CONSTRUCTION FUND**

**CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>CAPITAL OUTLAY</b>			
Public improvements			
Infrastructure			
Levee repairs	\$ 12,000	\$ 12,000	\$ -
Levee supplies	5,000	5,000	-
Creek bank stabilization	25,000	25,000	6,139
Creek tree trimming	25,000	25,000	23,475
Levee 37	30,000	190,183	351
Private property drainage	100,000	100,000	8,640
Prospect Meadows flood improvements	-	708,408	124,021
Hydraulic analysis	165,000	165,000	117,000
Isabella combined sewer improvements	9,434,960	9,434,960	8,909,468
Total infrastructure	9,796,960	10,665,551	9,189,094
Other			
Electricity	2,300	2,300	2,480
Residential reimbursements	5,100	5,100	-
Total other	7,400	7,400	2,480
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,804,360</b>	<b>\$ 10,672,951</b>	<b>\$ 9,191,574</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**

**CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2015

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	<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	\$ 1,367,462
Municipal motor fuel tax	710,000	710,000	694,107
License fees	1,540,000	1,540,000	1,486,666
Investment income	100	100	1,403
Miscellaneous income	6,000	55,000	52,327
Total revenues	<u>3,602,100</u>	<u>3,651,100</u>	<u>3,601,965</u>
<b>EXPENDITURES</b>			
Capital outlay			
Contractual services	32,000	32,000	14,224
Infrastructure			
Street resurfacing	<u>4,790,000</u>	<u>6,831,886</u>	<u>6,238,850</u>
Total expenditures	<u>4,822,000</u>	<u>6,863,886</u>	<u>6,253,074</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,219,900)</u>	<u>\$ (3,212,786)</u>	(2,651,109)
<b>FUND BALANCE, JANUARY 1</b>			<u>2,928,720</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 277,611</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, 2015

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,541,745	\$ 2,028,923	\$ 5,570,668
Receivables			
Other taxes	217,777	456,402	674,179
Other	83,586	-	83,586
Due from other governments	689,428	272,164	961,592
Prepaid items	800	-	800
<b>TOTAL ASSETS</b>	<b>\$ 4,533,336</b>	<b>\$ 2,757,489</b>	<b>\$ 7,290,825</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,401,350	\$ 470,238	\$ 1,871,588
Accrued payroll	1,116	-	1,116
Retainage payable	1,173	-	1,173
Due from other funds	3,467	469,881	473,348
Unearned revenue	658,484	-	658,484
Total liabilities	2,065,590	940,119	3,005,709
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	800	-	800
Restricted			
Highways and streets	1,927,676	-	1,927,676
Public safety - police	237,341	-	237,341
Public safety - fire	302,634	-	302,634
Assigned			
Capital projects	-	2,264,699	2,264,699
Unassigned	(705)	(447,329)	(448,034)
Total fund balances	2,467,746	1,817,370	4,285,116
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,533,336</b>	<b>\$ 2,757,489</b>	<b>\$ 7,290,825</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, 2015

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 2,313,803	\$ 2,313,803
Other taxes	1,277,911	1,265,868	2,543,779
Intergovernmental	1,645,049	313,213	1,958,262
Investment income	719	1,099	1,818
Miscellaneous	179,339	47,520	226,859
<b>Total revenues</b>	<b>3,103,018</b>	<b>3,941,503</b>	<b>7,044,521</b>
<b>EXPENDITURES</b>			
Current			
General government	1,277,230	-	1,277,230
Public safety	89,305	-	89,305
Highways and streets	808,665	-	808,665
Welfare	431,706	-	431,706
Capital outlay	-	5,553,860	5,553,860
<b>Total expenditures</b>	<b>2,606,906</b>	<b>5,553,860</b>	<b>8,160,766</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>496,112</b>	<b>(1,612,357)</b>	<b>(1,116,245)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	81,599	-	81,599
<b>Total other financing sources (uses)</b>	<b>81,599</b>	<b>-</b>	<b>81,599</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>577,711</b>	<b>(1,612,357)</b>	<b>(1,034,646)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>1,890,035</b>	<b>3,429,727</b>	<b>5,319,762</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 2,467,746</b>	<b>\$ 1,817,370</b>	<b>\$ 4,285,116</b>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2015

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>	<b>Federal Equitable Share</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,883,628	\$ -	\$ 92,655	\$ 19,951
Receivables				
Other taxes	122,249	-	-	-
Other	1,220	-	-	-
Due from other governments	5,847	683,581	-	-
Prepaid items	-	705	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,012,944</b>	<b>\$ 684,286</b>	<b>\$ 92,655</b>	<b>\$ 19,951</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 85,268	\$ 20,046	\$ -	\$ -
Accrued payroll	-	1,116	-	-
Retainage payable	-	1,173	-	-
Due to other funds	-	3,467	-	-
Unearned revenue	-	658,484	-	-
Total liabilities	85,268	684,286	-	-
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	-	705	-	-
Restricted				
Highways and streets	1,927,676	-	-	-
Public safety - police	-	-	92,655	19,951
Public safety - fire	-	-	-	-
Unassigned	-	(705)	-	-
Total fund balances	1,927,676	-	92,655	19,951
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,012,944</b>	<b>\$ 684,286</b>	<b>\$ 92,655</b>	<b>\$ 19,951</b>

<b>DUI Fines</b>	<b>Foreign Fire Insurance</b>	<b>Business District</b>	<b>Total</b>
\$ 118,009	\$ 321,440	\$ 1,106,062	\$ 3,541,745
-	-	95,528	217,777
6,726	-	75,640	83,586
-	-	-	689,428
-	95	-	800
<b>\$ 124,735</b>	<b>\$ 321,535</b>	<b>\$ 1,277,230</b>	<b>\$ 4,533,336</b>

\$ -	\$ 18,806	\$ 1,277,230	\$ 1,401,350
-	-	-	1,116
-	-	-	1,173
-	-	-	3,467
-	-	-	658,484
-	18,806	1,277,230	2,065,590
-	95	-	800
-	-	-	1,927,676
124,735	-	-	237,341
-	302,634	-	302,634
-	-	-	(705)
124,735	302,729	-	2,467,746
<b>\$ 124,735</b>	<b>\$ 321,535</b>	<b>\$ 1,277,230</b>	<b>\$ 4,533,336</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, 2015

	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Asset Seizure</b>	<b>Federal Equitable Share</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,324,242	266,720	17,995	-
Investment income	381	-	29	13
Miscellaneous	14,353	164,986	-	-
<b>Total revenues</b>	<b>1,338,976</b>	<b>431,706</b>	<b>18,024</b>	<b>13</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	9,044	-
Highways and streets	808,665	-	-	-
Welfare	-	431,706	-	-
<b>Total expenditures</b>	<b>808,665</b>	<b>431,706</b>	<b>9,044</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>530,311</b>	<b>-</b>	<b>8,980</b>	<b>13</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>530,311</b>	<b>-</b>	<b>8,980</b>	<b>13</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>1,397,365</b>	<b>-</b>	<b>83,675</b>	<b>19,938</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,927,676</b>	<b>\$ -</b>	<b>\$ 92,655</b>	<b>\$ 19,951</b>

<b>DUI Fines</b>	<b>Foreign Fire Insurance</b>	<b>Business District</b>	<b>Total</b>
\$ -	\$ 82,425	\$ 1,195,486	\$ 1,277,911
36,092	-	-	1,645,049
36	115	145	719
-	-	-	179,339
36,128	82,540	1,195,631	3,103,018
-	-	1,277,230	1,277,230
12,473	67,788	-	89,305
-	-	-	808,665
-	-	-	431,706
12,473	67,788	1,277,230	2,606,906
23,655	14,752	(81,599)	496,112
-	-	81,599	81,599
23,655	14,752	-	577,711
101,080	287,977	-	1,890,035
\$ 124,735	\$ 302,729	\$ -	\$ 2,467,746

(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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 1,320,000	\$ 1,320,000	\$ 1,324,242
Investment income	200	200	381
Miscellaneous	11,000	11,000	14,353
Total revenues	1,331,200	1,331,200	1,338,976
<b>EXPENDITURES</b>			
Highways and streets			
Street division	2,156,955	2,156,955	808,665
NET CHANGE IN FUND BALANCE	<u>\$ (825,755)</u>	<u>\$ (825,755)</u>	530,311
FUND BALANCE, JANUARY 1			<u>1,397,365</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,927,676</u>

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

**NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>HIGHWAYS AND STREETS</b>			
Public works department			
Street division			
Street maintenance			
Contractual services	\$ 117,807	\$ 117,807	\$ 117,505
Snow removal			
Contractual services	76,500	76,500	33,956
Commodities and supplies	453,209	453,209	353,064
Total snow removal	529,709	529,709	387,020
Traffic control/street lighting			
Contractual services	90,379	90,379	104,335
Utilities	156,060	156,060	170,241
Total traffic control/street lighting	246,439	246,439	274,576
Street improvement projects			
Building improvements	600,000	600,000	-
Infrastructure	663,000	663,000	29,564
Total street improvement projects	1,263,000	1,263,000	29,564
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,156,955</b>	<b>\$ 2,156,955</b>	<b>\$ 808,665</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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental			
Grant - CDBG	\$ 339,264	\$ 592,791	\$ 266,720
Miscellaneous			
Program income	80,000	80,000	164,986
Total revenues	<u>419,264</u>	<u>672,791</u>	<u>431,706</u>
<b>EXPENDITURES</b>			
Welfare			
Administration	49,314	49,314	68,296
Community programs	67,800	68,653	70,749
Residential rehabilitation	272,150	284,824	72,015
CDBG public rehabilitation projects	30,000	270,000	220,646
Total expenditures	<u>419,264</u>	<u>672,791</u>	<u>431,706</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-
<b>FUND BALANCE, JANUARY 1</b>			<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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>WELFARE</b>			
Administration and support			
Personal services	\$ 28,351	\$ 28,351	\$ 41,240
Employee benefits	13,773	13,773	23,949
Other employee costs	1,040	1,040	337
Contractual services	5,630	5,630	2,770
Commodities and supplies	520	520	-
Total administration and support	<u>49,314</u>	<u>49,314</u>	<u>68,296</u>
Community programs			
Contractual services	<u>67,800</u>	<u>68,653</u>	<u>70,749</u>
Total community programs	<u>67,800</u>	<u>68,653</u>	<u>70,749</u>
Residential rehabilitation			
Personal services	20,432	25,232	10,822
Employee benefits	11,718	12,637	2,068
Contractual services	51,000	51,000	12,140
Other expenditures	<u>189,000</u>	<u>195,955</u>	<u>46,985</u>
Total residential rehabilitation	<u>272,150</u>	<u>284,824</u>	<u>72,015</u>
CDBG public rehabilitation projects			
Contractual services	30,000	30,000	23,429
Capital expenditures	-	<u>240,000</u>	<u>197,217</u>
Total CDBG programs	<u>30,000</u>	<u>270,000</u>	<u>220,646</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 419,264</u></u>	<u><u>\$ 672,791</u></u>	<u><u>\$ 431,706</u></u>

(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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental			
Seized assets	\$ 2,000	\$ 2,000	\$ 17,995
Investment income	100	100	29
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>18,024</u>
<b>EXPENDITURES</b>			
Public safety			
Other employee costs	1,000	1,000	-
Contractual services	3,000	3,000	2,000
Capital expenditures	15,000	15,000	7,044
Total expenditures	<u>19,000</u>	<u>19,000</u>	<u>9,044</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,900)</u>	<u>\$ (16,900)</u>	8,980
FUND BALANCE, JANUARY 1			<u>83,675</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 92,655</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, 2015

	Budget		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental			
Federal equitable shared funds	\$ 100	\$ 100	\$ -
Investment income	100	100	13
Total revenues	200	200	13
<b>EXPENDITURES</b>			
Public safety			
Contractual services	1,000	1,000	-
Capital expenditures	1,000	1,000	-
Total expenditures	2,000	2,000	-
NET CHANGE IN FUND BALANCE	\$ (1,800)	\$ (1,800)	13
FUND BALANCE, JANUARY 1			19,938
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 19,951</b>

(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, 2015

	Budget		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental			
DUI fines	\$ 20,000	\$ 20,000	\$ 36,092
Investment income	100	100	36
Total revenues	20,100	20,100	36,128
<b>EXPENDITURES</b>			
Public safety			
Patrol and traffic enforcement			
Other employee costs	1,000	1,000	640
Capital expenditures	1,000	21,000	11,833
Total expenditures	2,000	22,000	12,473
NET CHANGE IN FUND BALANCE	\$ 18,100	\$ (1,900)	23,655
FUND BALANCE, JANUARY 1			101,080
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 124,735</b>

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Other taxes			
Foreign fire insurance tax	\$ 70,000	\$ 82,500	\$ 82,425
Investment income	100	100	115
	<hr/>		
Total revenues	70,100	82,600	82,540
	<hr/>		
<b>EXPENDITURES</b>			
Public safety			
Insurance	500	500	-
Contractual services	10,000	14,950	14,948
Commodities and supplies	5,000	5,000	444
Equipment	15,000	52,400	52,396
	<hr/>		
Total expenditures	30,500	72,850	67,788
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 39,600</b>	<b>\$ 9,750</b>	<b>14,752</b>
	<hr/>		
<b>FUND BALANCE, JANUARY 1</b>			<b>287,977</b>
	<hr/>		
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 302,729</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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Other taxes			
Food and beverage tax	\$ 360,000	\$ 382,283	\$ 382,283
Hotel/motel tax	225,000	232,216	232,216
Movie theatre tax	110,000	115,569	115,569
Business district tax	326,000	342,040	342,040
State sales tax	-	-	123,378
Investment income	-	-	145
Total revenues	<u>1,021,000</u>	<u>1,072,108</u>	<u>1,195,631</u>
<b>EXPENDITURES</b>			
General government	<u>1,021,000</u>	<u>1,277,230</u>	<u>1,277,230</u>
Total expenditures	<u>1,021,000</u>	<u>1,277,230</u>	<u>1,277,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(205,122)</u>	<u>(81,599)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>81,599</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (205,122)</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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2015

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	<b>Capital Improvement</b>	<b>Downtown Redevelopment Construction</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 2,028,923	\$ -	\$ 2,028,923
Receivables			
Other taxes	456,402	-	456,402
Due from other governments	-	272,164	272,164
Prepaid items	-	-	-
	<hr/>		
<b>TOTAL ASSETS</b>	<b>\$ 2,485,325</b>	<b>\$ 272,164</b>	<b>\$ 2,757,489</b>
	<hr/>		
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 220,626	\$ 249,612	\$ 470,238
Due to other funds	-	469,881	469,881
	<hr/>		
Total liabilities	220,626	719,493	940,119
	<hr/>		
<b>FUND BALANCES</b>			
Unrestricted			
Assigned			
Capital Projects	2,264,699	-	2,264,699
Unassigned	-	(447,329)	(447,329)
	<hr/>		
Total fund balances	2,264,699	(447,329)	1,817,370
	<hr/>		
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,485,325</b>	<b>\$ 272,164</b>	<b>\$ 2,757,489</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, 2015

	<b>Capital Improvement</b>	<b>Downtown Redevelopment Construction</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes			
Property	\$ -	\$ 2,313,803	\$ 2,313,803
Other	1,265,868	-	1,265,868
Intergovernmental	47,274	265,939	313,213
Investment income	664	435	1,099
Miscellaneous	47,520	-	47,520
 Total revenues	 1,361,326	 2,580,177	 3,941,503
<b>EXPENDITURES</b>			
Capital outlay	1,870,950	3,682,910	5,553,860
 Total expenditures	 1,870,950	 3,682,910	 5,553,860
 NET CHANGE IN FUND BALANCES	 (509,624)	 (1,102,733)	 (1,612,357)
 FUND BALANCES, JANUARY 1	 2,774,323	 655,404	 3,429,727
 <b>FUND BALANCES, DECEMBER 31</b>	 <b>\$ 2,264,699</b>	 <b>\$ (447,329)</b>	 <b>\$ 1,817,370</b>

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Other taxes			
Home rule sales tax	\$ 1,246,000	\$ 1,246,000	\$ 1,265,868
Intergovernmental	-	48,000	47,274
Investment income	1,000	1,000	664
Miscellaneous			
Donations	20,000	48,000	47,520
	<hr/>		
Total revenues	1,267,000	1,343,000	1,361,326
	<hr/>		
<b>EXPENDITURES</b>			
Capital outlay			
Equipment	486,747	538,865	315,524
Building improvements	896,000	1,451,440	985,450
Infrastructure	853,000	1,374,111	569,976
	<hr/>		
Total expenditures	2,235,747	3,364,416	1,870,950
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (968,747)</b>	<b>\$ (2,021,416)</b>	<b>(509,624)</b>
	<hr/>		
<b>FUND BALANCE, JANUARY 1</b>			<b>2,774,323</b>
	<hr/>		
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 2,264,699</b>
	<hr/>		

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>EXPENDITURES</b>			
Equipment			
Desktop visualization	\$ 95,000	\$ 95,000	\$ -
Door access control system	50,000	50,000	48,149
Board room cameras	79,500	79,500	34,733
Breathing apparatus	70,000	70,000	69,540
Bunker gear lockers	-	19,118	1,600
Thermal imaging camera	-	33,000	31,980
Radio equipment - police/fire/public works	192,247	192,247	129,522
Total equipment	<u>486,747</u>	<u>538,865</u>	<u>315,524</u>
Building improvements			
Restroom renovation	21,000	21,000	-
Firing range	120,000	120,000	41,874
Kitchen renovation	-	55,115	48,186
Roof repair	470,000	470,000	234,241
Salt storage building	100,000	123,000	14,870
HVAC replacements	25,000	449,325	440,382
Event sign replacements	-	53,000	52,773
Other public building improvements	160,000	160,000	153,124
Total building improvements	<u>896,000</u>	<u>1,451,440</u>	<u>985,450</u>
Infrastructure			
D/T Streetscape Program	195,000	195,000	106,787
Residential street lights	125,000	138,345	37,735
Jogging path	350,000	586,250	309,426
Kensington road improvement	-	20,086	-
Streets bridge rehab	125,000	125,000	54,272
Detention pond improvements	-	131,430	61,756
Other infrastructure - parking	58,000	58,000	-
Ped Bridge - Melas/Mead	-	120,000	-
Total infrastructure	<u>853,000</u>	<u>1,374,111</u>	<u>569,976</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,235,747</u>	<u>\$ 3,364,416</u>	<u>\$ 1,870,950</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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Taxes			
Property taxes - other			
Tax increment	\$ 2,709,000	\$ 2,709,000	\$ 2,313,803
Intergovernmental	-	-	265,939
Investment income	500	500	435
	<hr/>		
Total revenues	2,709,500	2,709,500	2,580,177
	<hr/>		
<b>EXPENDITURES</b>			
Capital outlay			
Public improvements			
Contractual services	109,201	849,201	494,345
Public improvements	3,306,969	3,366,969	2,996,480
Infrastructure	342,285	345,960	192,085
	<hr/>		
Total expenditures	3,758,455	4,562,130	3,682,910
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (1,048,955)	\$ (1,852,630)	(1,102,733)
	<hr/>		
FUND BALANCE, JANUARY 1			655,404
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ (447,329)
	<hr/>		

(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, 2015

	Budget		Actual
	Original	Final	
<b>CAPITAL OUTLAY</b>			
Public improvements			
Contractual services			
Audit services	\$ 1,061	\$ 1,061	\$ -
Other professional services	10,000	100,000	100,801
Demolition expense	-	650,000	296,500
Streetscape corridor maintenance	58,140	58,140	57,044
Streetscape furnishing	40,000	40,000	40,000
Total contractual services	109,201	849,201	494,345
Public improvements			
Property tax expense	4,000	4,000	7,731
Sales tax rebate	109,140	109,140	104,494
Downtown pedestrian improvement	200,000	200,000	9,667
Downtown wayfinding signage	200,000	200,000	37,866
Return of increment Cook County Collection	2,693,829	2,693,829	2,693,829
Facade program	100,000	160,000	142,893
Total public improvements	3,306,969	3,366,969	2,996,480
Infrastructure			
Downtown streetscape program	332,085	335,760	181,901
Brick sidewalk	10,200	10,200	10,184
Total infrastructure	342,285	345,960	192,085
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,758,455</b>	<b>\$ 4,562,130</b>	<b>\$ 3,682,910</b>

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 13,907,500	\$ 12,742,500	\$ 12,434,405
Total operating revenues	13,907,500	12,742,500	12,434,405
<b>OPERATING EXPENSES</b>			
Administration and maintenance	14,438,589	15,549,495	13,682,882
Depreciation	-	-	460,728
Total operating expenses	14,438,589	15,549,495	14,143,610
OPERATING INCOME (LOSS)	(531,089)	(2,806,995)	(1,709,205)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Property taxes	1,530,000	1,530,000	1,519,375
Investment income	2,100	2,100	34,092
Other income	90,000	90,000	94,424
Total non-operating revenues (expenses)	1,622,100	1,622,100	1,647,891
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	1,091,011	(1,184,895)	(61,314)
<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	-	-	8,889,998
CHANGE IN NET POSITION	\$ 1,091,011	\$ (1,184,895)	8,828,684
Prior period adjustment			(1,795,378)
NET POSITION, JANUARY 1, RESTATED			32,445,026
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 41,273,710</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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>CHARGES FOR SERVICES</b>			
Water sales	\$ 10,842,000	\$ 9,900,000	\$ 9,661,380
Sewer fees	2,223,000	2,000,000	1,943,403
Sewer construction charge	684,000	684,000	681,664
Water penalties	90,000	90,000	82,586
Water meter fees	20,000	20,000	21,617
Water and sewer taps	20,000	20,000	20,457
Sewer penalties	28,000	28,000	23,298
Miscellaneous	500	500	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 13,907,500</b>	<b>\$ 12,742,500</b>	<b>\$ 12,434,405</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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION AND MAINTENANCE</b>			
Administration and support			
Personal services	\$ 413,251	\$ 413,251	\$ 413,265
Employee benefits	221,009	221,009	151,653
Other employee costs	37,393	37,393	38,548
Contractual services	701,105	707,742	417,857
Utilities	44,633	44,633	35,601
Insurance	101,312	101,312	101,312
Commodities and supplies	12,535	12,535	10,207
Capital expenditures	5,174	14,659	8,660
Total administration and support	<u>1,536,412</u>	<u>1,552,534</u>	<u>1,177,103</u>
Maintenance of buildings			
Personal services	160,566	160,566	161,196
Employee benefits	72,296	72,296	48,738
Contractual services	16,830	67,905	62,245
Utilities	6,120	6,120	5,686
Commodities and supplies	1,530	1,530	1,467
Total maintenance of buildings	<u>257,342</u>	<u>308,417</u>	<u>279,332</u>
Maintenance of grounds			
Personal services	65,873	65,873	66,596
Employee benefits	20,776	20,776	11,457
Contractual services	29,131	29,131	28,597
Commodities and supplies	6,033	6,033	5,371
Total maintenance of grounds	<u>121,813</u>	<u>121,813</u>	<u>112,021</u>
Water supply maintenance and repair			
Personal services	397,776	397,776	407,827
Employee benefits	147,174	147,174	93,632
Contractual services	147,800	147,800	108,364
Utilities	86,700	86,700	49,836
Commodities and supplies	81,100	81,100	37,427
Total water supply maintenance and repair	<u>860,550</u>	<u>860,550</u>	<u>697,086</u>

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION AND MAINTENANCE</b>			
<b>(Continued)</b>			
Water distribution maintenance and repair			
Personal services	\$ 308,318	\$ 308,318	\$ 287,774
Employee benefits	90,713	90,713	48,394
Contractual services	237,200	237,200	179,082
Commodities and supplies	75,829	75,829	53,798
Capital expenditures	1,000	1,000	207
<b>Total water distribution maintenance and repair</b>	<b>713,060</b>	<b>713,060</b>	<b>569,255</b>
Water valve and hydrant maintenance			
Personal services	290,643	290,643	275,116
Employee benefits	104,859	104,859	84,271
Contractual services	20,963	20,963	19,071
Commodities and supplies	85,975	85,975	64,817
<b>Total water valve and hydrant maintenance</b>	<b>502,440</b>	<b>502,440</b>	<b>443,275</b>
Water meter installation, repair, and replacement			
Personal services	146,119	146,119	174,351
Employee benefits	35,623	35,623	28,459
Contractual services	102,250	153,494	135,762
Commodities and supplies	3,175	3,175	1,424
Capital expenditures	66,500	66,500	38,464
<b>Total water meter installation, repair, and replacement</b>	<b>353,667</b>	<b>404,911</b>	<b>378,460</b>
Equipment maintenance			
Contractual services	820,288	820,288	820,288
Sanitary sewer maintenance and repair			
Personal services	223,512	223,512	231,880
Employee benefits	79,727	79,727	49,890
Contractual services	159,177	180,946	163,344
Utilities	23,460	23,460	15,650
Commodities and supplies	27,339	27,339	18,545
<b>Total sanitary sewer maintenance and repair</b>	<b>513,215</b>	<b>534,984</b>	<b>479,309</b>

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION AND MAINTENANCE</b>			
<b>(Continued)</b>			
Water system improvements			
Capital expenditures	\$ 2,180,000	\$ 4,225,622	\$ 3,547,655
Less capital expenditures capitalized	(1,103,835)	(1,837,077)	(1,837,077)
Total water system improvements	<u>1,076,165</u>	<u>2,388,545</u>	<u>1,710,578</u>
Sanitary system improvements			
Capital expenditures	1,150,000	1,271,091	493,148
Less capital expenditures capitalized	(22,363)	(22,363)	(22,364)
Total sanitary system improvements	<u>1,127,637</u>	<u>1,248,728</u>	<u>470,784</u>
Improvements to public buildings			
Capital expenditures	115,000	152,225	101,869
Total improvements to public buildings	<u>115,000</u>	<u>152,225</u>	<u>101,869</u>
Lake Michigan water acquisition			
Contractual services	6,441,000	5,941,000	6,443,522
Total Lake Michigan water acquisition	<u>6,441,000</u>	<u>5,941,000</u>	<u>6,443,522</u>
Total administration and maintenance	14,438,589	15,549,495	13,682,882
Depreciation	-	-	460,728
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 14,438,589</u>	<u>\$ 15,549,495</u>	<u>\$ 14,143,610</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, 2015

	<b>Parking System Revenue</b>	<b>Village Parking System</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 162,416	\$ 326,196	\$ 488,612
Receivables			
Other taxes	1,595	-	1,595
Total current assets	164,011	326,196	490,207
<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)
Net capital assets	-	232,354	232,354
Total assets	164,011	558,550	722,561
<b>CURRENT LIABILITIES</b>			
Accounts payable	9,195	6,253	15,448
Accrued payroll	663	900	1,563
Unearned revenues	19,548	37,955	57,503
Compensated absences payable	310	423	733
Total current liabilities	29,716	45,531	75,247
<b>LONG-TERM LIABILITIES</b>			
Compensated absences payable	1,243	1,693	2,936
Net other postemployment benefits obligation	959	181	1,140
Total long-term liabilities	2,202	1,874	4,076
Total liabilities	31,918	47,405	79,323
<b>NET POSITION</b>			
Investment in capital assets	-	232,354	232,354
Unrestricted	132,093	278,791	410,884
<b>TOTAL NET POSITION</b>	<b>\$ 132,093</b>	<b>\$ 511,145</b>	<b>\$ 643,238</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, 2015

	<b>Parking System Revenue</b>	<b>Village Parking System</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 121,028	\$ 134,062	\$ 255,090
Rental fees	-	6,655	6,655
Total operating revenues	<u>121,028</u>	<u>140,717</u>	<u>261,745</u>
<b>OPERATING EXPENSES</b>			
Administration, maintenance, and improvements	<u>143,265</u>	<u>126,354</u>	<u>269,619</u>
Total operating expenses	<u>143,265</u>	<u>126,354</u>	<u>269,619</u>
OPERATING INCOME (LOSS)	<u>(22,237)</u>	<u>14,363</u>	<u>(7,874)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Home rule sales tax	101,595	-	101,595
Investment income	-	103	103
Total non-operating revenues (expenses)	<u>101,595</u>	<u>103</u>	<u>101,698</u>
INCOME (LOSS) BEFORE TRANSFERS	79,358	14,466	93,824
<b>TRANSFERS</b>			
Transfers in	<u>200,000</u>	-	<u>200,000</u>
CHANGE IN NET POSITION	279,358	14,466	293,824
NET POSITION (DEFICIT), JANUARY 1	<u>(147,265)</u>	<u>496,679</u>	<u>349,414</u>
<b>NET POSITION, DECEMBER 31</b>	<u><u>\$ 132,093</u></u>	<u><u>\$ 511,145</u></u>	<u><u>\$ 643,238</u></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, 2015

	<b>Parking System Revenue</b>	<b>Village Parking System</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 122,814	\$ 143,222	\$ 266,036
Payments to suppliers	(98,822)	(68,654)	(167,476)
Payments to employees	(38,482)	(52,265)	(90,747)
Net cash from operating activities	(14,490)	22,303	7,813
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Home rule sales tax	131,788	3,532	135,320
Interfund transactions	(154,882)	-	(154,882)
Transfers in from other funds	200,000	-	200,000
Net cash from noncapital financing activities	176,906	3,532	180,438
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	-	103	103
Net cash from investing activities	-	103	103
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>162,416</b>	<b>25,938</b>	<b>188,354</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>-</b>	<b>300,258</b>	<b>300,258</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 162,416</b>	<b>\$ 326,196</b>	<b>\$ 488,612</b>

(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, 2015

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	<b>Parking System Revenue</b>	<b>Village Parking System</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (22,237)	\$ 14,363	\$ (7,874)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Changes in assets and liabilities			
Prepaid expenses	270	319	589
Accounts payable	4,981	6,233	11,214
Accrued payroll and compensated absences	450	572	1,022
Net other postemployment benefits obligation	260	(1,689)	(1,429)
Unearned revenues	1,786	2,505	4,291
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (14,490)</b>	<b>\$ 22,303</b>	<b>\$ 7,813</b>

(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, 2015

	<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	\$ 65,000	\$ 65,000	\$ 64,079
Parking fees - Lot C	54,000	54,000	56,949
Total operating revenues	119,000	119,000	121,028
<b>OPERATING EXPENSES</b>			
Administration, maintenance, and improvements	250,643	250,643	143,265
Total operating expenses	250,643	250,643	143,265
OPERATING INCOME (LOSS)	(131,643)	(131,643)	(22,237)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Home rule sales tax	100,000	100,000	101,595
Investment income	-	-	-
Total non-operating revenues (expenses)	100,000	100,000	101,595
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	200,000
CHANGE IN NET POSITION	\$ (31,643)	\$ (31,643)	279,358
NET POSITION (DEFICIT), JANUARY 1			(147,265)
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 132,093</b>

(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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS</b>			
Personal services	\$ 25,830	\$ 25,830	\$ 26,216
Employee benefits	13,024	13,024	12,976
Contractual services	114,325	114,325	90,555
Utilities	10,733	10,733	5,449
Insurance	1,757	1,757	1,757
Commodities and supplies	9,974	9,974	6,312
Capital expenditures	75,000	75,000	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 250,643</b>	<b>\$ 250,643</b>	<b>\$ 143,265</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 ENTERPRISE FUNDS**

For the Year Ended December 31, 2015

	<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	\$ 112,000	\$ 112,000	\$ 123,644
Space rent - Wille Street lot	12,000	12,000	10,418
Rental fees	6,600	6,600	6,655
	<hr/>		
Total operating revenues	130,600	130,600	140,717
	<hr/>		
<b>OPERATING EXPENSES</b>			
Administration, maintenance, and improvements	310,160	310,160	126,354
	<hr/>		
Total operating expenses	310,160	310,160	126,354
	<hr/>		
OPERATING INCOME (LOSS)	(179,560)	(179,560)	14,363
	<hr/>		
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	100	100	103
	<hr/>		
Total non-operating revenues (expenses)	100	100	103
	<hr/>		
CHANGE IN NET POSITION	\$ (179,460)	\$ (179,460)	14,466
	<hr/>		
NET POSITION, JANUARY 1			496,679
			<hr/>
NET POSITION, DECEMBER 31			\$ 511,145
			<hr/>

(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, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS</b>			
Personal services	\$ 35,175	\$ 35,175	\$ 35,706
Employee benefits	17,353	17,353	15,442
Contractual services	94,382	94,382	43,035
Insurance	2,156	2,156	2,156
Commodities and supplies	520	520	-
Capital expenditures	160,574	160,574	30,015
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 310,160</b>	<b>\$ 310,160</b>	<b>\$ 126,354</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, 2015

	<b>Computer Replacement</b>	<b>Risk Management</b>	<b>Vehicle Replacement</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 476,738	\$ 1,708,677	\$ 8,636,946	\$ 729,637	\$ 11,551,998
Receivables					
Other	-	-	2,419	2,023	4,442
Due from other governments	-	-	2,000	8,443	10,443
Prepays	-	139,183	-	343	139,526
Inventories	-	-	-	277,128	277,128
<b>Total current assets</b>	<b>476,738</b>	<b>1,847,860</b>	<b>8,641,365</b>	<b>1,017,574</b>	<b>11,983,537</b>
<b>NONCURRENT ASSETS</b>					
Deposits - insurance	-	2,104,415	-	-	2,104,415
<b>CAPITAL ASSETS</b>					
Capital assets not being depreciated	-	-	479,601	-	479,601
Capital assets being depreciated, cost	65,253	-	12,200,233	139,860	12,405,346
Accumulated depreciation	(61,727)	-	(8,153,237)	(128,707)	(8,343,671)
<b>Net capital assets</b>	<b>3,526</b>	<b>-</b>	<b>4,526,597</b>	<b>11,153</b>	<b>4,541,276</b>
<b>Total assets</b>	<b>480,264</b>	<b>3,952,275</b>	<b>13,167,962</b>	<b>1,028,727</b>	<b>18,629,228</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	1,532	15,348	2,240	37,538	56,658
Accrued payroll	-	-	-	26,249	26,249
Claims payable	-	814,816	-	-	814,816
Other payables	-	13,086	-	-	13,086
Compensated absences payable	-	-	-	27,743	27,743
<b>Total current liabilities</b>	<b>1,532</b>	<b>843,250</b>	<b>2,240</b>	<b>91,530</b>	<b>938,552</b>
<b>LONG-TERM LIABILITIES</b>					
Compensated absences payable	-	-	-	110,973	110,973
Claims payable	-	18,152	-	-	18,152
Net other postemployment benefits obligation	-	-	-	24,020	24,020
<b>Total long-term liabilities</b>	<b>-</b>	<b>18,152</b>	<b>-</b>	<b>134,993</b>	<b>153,145</b>
<b>Total liabilities</b>	<b>1,532</b>	<b>861,402</b>	<b>2,240</b>	<b>226,523</b>	<b>1,091,697</b>
<b>NET POSITION</b>					
Investment in capital assets	3,526	-	4,526,597	11,153	4,541,276
Unrestricted	475,206	3,090,873	8,639,125	791,051	12,996,255
<b>TOTAL NET POSITION</b>	<b>\$ 478,732</b>	<b>\$ 3,090,873</b>	<b>\$ 13,165,722</b>	<b>\$ 802,204</b>	<b>\$ 17,537,531</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, 2015

	<b>Computer Replacement</b>	<b>Risk Management</b>	<b>Vehicle Replacement</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 272,307	\$ 6,552,206	\$ 1,394,394	\$ 2,157,887	\$ 10,376,794
Contributions	-	1,294,566	-	-	1,294,566
Miscellaneous	-	912	-	1,880	2,792
Total operating revenues	<u>272,307</u>	<u>7,847,684</u>	<u>1,394,394</u>	<u>2,159,767</u>	<u>11,674,152</u>
<b>OPERATING EXPENSES</b>					
Administration and maintenance	166,329	395,333	59,110	2,016,321	2,637,093
Insurance and claims	-	6,707,595	-	-	6,707,595
Depreciation	10,051	-	611,862	3,187	625,100
Total operating expenses	<u>176,380</u>	<u>7,102,928</u>	<u>670,972</u>	<u>2,019,508</u>	<u>9,969,788</u>
OPERATING INCOME (LOSS)	<u>95,927</u>	<u>744,756</u>	<u>723,422</u>	<u>140,259</u>	<u>1,704,364</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	537	1,326	5,283	413	7,559
Gain on disposal of capital assets	-	-	30,674	-	30,674
Total non-operating revenues (expenses)	<u>537</u>	<u>1,326</u>	<u>35,957</u>	<u>413</u>	<u>38,233</u>
CHANGES IN NET POSITION	<u>96,464</u>	<u>746,082</u>	<u>759,379</u>	<u>140,672</u>	<u>1,742,597</u>
NET POSITION, JANUARY 1	382,268	2,344,791	12,409,018	661,532	15,797,609
Prior period adjustment	-	-	(2,675)	-	(2,675)
NET POSITION, JANUARY 1, RESTATED	<u>382,268</u>	<u>2,344,791</u>	<u>12,406,343</u>	<u>661,532</u>	<u>15,794,934</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 478,732</u>	<u>\$ 3,090,873</u>	<u>\$ 13,165,722</u>	<u>\$ 802,204</u>	<u>\$ 17,537,531</u>

(See independent auditor's report.)



VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	<b>Computer Replacement</b>	<b>Risk Management</b>	<b>Vehicle Replacement</b>	<b>Vehicle Maintenance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ -	\$ 2,108,167	\$ -	\$ -	\$ 2,108,167
Receipts from interfund services	272,307	5,663,909	1,380,500	2,157,887	9,474,603
Receipts from miscellaneous revenues	-	912	11,629	1,880	14,421
Payments to suppliers	(148,483)	(7,753,802)	(85,101)	(626,615)	(8,614,001)
Payments to employees	-	-	-	(1,322,601)	(1,322,601)
Net cash from operating activities	123,824	19,186	1,307,028	210,551	1,660,589
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
None	-	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	-	-	40,673	-	40,673
Purchase of capital assets	-	-	(633,034)	-	(633,034)
Net cash from capital and related financing activities	-	-	(592,361)	-	(592,361)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	537	1,326	5,283	413	7,559
Net cash from investing activities	537	1,326	5,283	413	7,559
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	124,361	20,512	719,950	210,964	1,075,787
CASH AND CASH EQUIVALENTS, JANUARY 1	352,377	1,688,165	7,916,996	518,673	10,476,211
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 476,738</b>	<b>\$ 1,708,677</b>	<b>\$ 8,636,946</b>	<b>\$ 729,637</b>	<b>\$ 11,551,998</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, 2015

	<u>Computer Replacement</u>	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income	\$ 95,927	\$ 744,756	\$ 723,422	\$ 140,259	\$ 1,704,364
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	10,051	-	611,862	3,187	625,100
Changes in assets and liabilities					
Receivables	-	-	(2,265)	777	(1,488)
Inventories	-	-	-	13,813	13,813
Prepaid expenses	17,864	(55,481)	-	200	(37,417)
Deposits - insurance	-	(504,420)	-	-	(504,420)
Accounts and others payable	(18)	(69,151)	(25,991)	18,806	(76,354)
Accrued payroll and compensated absences	-	-	-	19,736	19,736
Net other postemployment benefits obligation	-	-	-	13,773	13,773
Claims payable	-	(96,518)	-	-	(96,518)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 123,824</u>	<u>\$ 19,186</u>	<u>\$ 1,307,028</u>	<u>\$ 210,551</u>	<u>\$ 1,660,589</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

INTERNAL SERVICE FUND

For the Year Ended December 31, 2015

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
<b>OPERATING REVENUES</b>			
Charges for services			
Refuse Disposal Fund	\$ 802	\$ 802	\$ 802
Water and Sewer Fund	18,672	18,672	18,672
Vehicle Maintenance Fund	3,207	3,207	3,207
General Fund	249,626	249,626	249,626
	<hr/>		
Total operating revenues	272,307	272,307	272,307
	<hr/>		
<b>OPERATING EXPENSES</b>			
Administration			
Capital outlay	429,380	429,380	166,329
Depreciation	-	-	10,051
	<hr/>		
Total operating expenses	429,380	429,380	176,380
	<hr/>		
OPERATING INCOME (LOSS)	(157,073)	(157,073)	95,927
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	1,000	1,000	537
	<hr/>		
CHANGE IN NET POSITION	<u>\$ (156,073)</u>	<u>\$ (156,073)</u>	96,464
NET POSITION, JANUARY 1			<u>382,268</u>
<b>NET POSITION, DECEMBER 31</b>			<u><u>\$ 478,732</u></u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADMINISTRATION</b>			
Capital outlay	\$ 429,380	\$ 429,380	\$ 166,329
Depreciation	-	-	10,051
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 429,380</b>	<b>\$ 429,380</b>	<b>\$ 176,380</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**

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,513,826	\$ 6,513,826	\$ 6,552,206
Contributions	1,463,200	1,463,200	1,294,566
Miscellaneous	1,500	1,500	912
Total operating revenues	<u>7,978,526</u>	<u>7,978,526</u>	<u>7,847,684</u>
<b>OPERATING EXPENSES</b>			
Administration	554,000	554,000	395,333
Insurance and claims	7,525,896	7,525,896	6,707,595
Total operating expenses	<u>8,079,896</u>	<u>8,079,896</u>	<u>7,102,928</u>
OPERATING INCOME (LOSS)	(101,370)	(101,370)	744,756
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	3,000	3,000	1,326
CHANGE IN NET POSITION	<u>\$ (98,370)</u>	<u>\$ (98,370)</u>	746,082
NET POSITION, JANUARY 1			<u>2,344,791</u>
NET POSITION, DECEMBER 31			<u>\$ 3,090,873</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

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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	\$ 5,424,872	\$ 5,424,872	\$ 5,437,955
Refuse Disposal Fund	38,649	38,649	38,649
Water and Sewer Fund	156,032	156,032	156,032
Parking System Revenue Fund	1,757	1,757	1,757
Village Parking Fund	2,156	2,156	2,156
Vehicle Maintenance Fund	27,360	27,360	27,360
Library	863,000	863,000	888,297
Total charges for services	<u>6,513,826</u>	<u>6,513,826</u>	<u>6,552,206</u>
Contributions			
Employee			
Health insurance	520,000	520,000	475,614
Additional life insurance	13,200	13,200	19,479
Retiree			
Health insurance	930,000	930,000	799,473
Total contributions	<u>1,463,200</u>	<u>1,463,200</u>	<u>1,294,566</u>
Miscellaneous			
Other reimbursements	1,000	1,000	859
Miscellaneous income	500	500	53
Total miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>912</u>
<b>TOTAL OPERATING REVENUES</b>	<u><u>\$ 7,978,526</u></u>	<u><u>\$ 7,978,526</u></u>	<u><u>\$ 7,847,684</u></u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
RISK MANAGEMENT FUND

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Budget		Actual
	Original	Final	
<b>ADMINISTRATION</b>			
Casualty and property program			
Claims administration	\$ 10,000	\$ 10,000	\$ 7,170
Other contractual services	15,000	15,000	23,655
Total casualty and property program	25,000	25,000	30,825
Medical program			
Claims administration	304,000	304,000	303,189
Workers' compensation			
Claims administration	60,000	60,000	61,120
Capital outlay			
Other equipment	165,000	165,000	199
Total administration	554,000	554,000	395,333
<b>INSURANCE AND CLAIMS</b>			
Casualty and property program			
Property insurance	114,000	114,000	110,245
HELP excess liability insurance	150,000	150,000	98,492
Workers' compensation insurance	107,000	107,000	98,107
Faithful performance insurance	4,000	4,000	2,780
Surety bonds	2,000	2,000	490
Other insurance	3,000	3,000	2,435
Property claims	1,000	1,000	-
Liability claims	100,000	100,000	(34,715)
Workers' compensation claims	510,000	510,000	750,661
Auto claims	20,000	20,000	7,391
Village property claims	20,000	20,000	-
Unemployment compensation claims	10,000	10,000	-
Tree hazard study	10,000	10,000	7,189
Other claims	10,000	10,000	515
Total casualty and property program	1,061,000	1,061,000	1,043,590
Medical program			
Medical expense - HMO plan	1,701,648	1,701,648	1,576,769
Medical expense - indemnity plan	4,727,813	4,727,813	4,055,005
Life insurance	35,435	35,435	32,231
Total medical program	6,464,896	6,464,896	5,664,005
Total insurance and claims	7,525,896	7,525,896	6,707,595
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 8,079,896</b>	<b>\$ 8,079,896</b>	<b>\$ 7,102,928</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**

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,391,650	\$ 1,391,650	\$ 1,394,394
<b>OPERATING EXPENSES</b>			
Administration	185,511	458,917	59,110
Depreciation	-	-	611,862
Total operating expenses	185,511	458,917	670,972
OPERATING INCOME	1,206,139	932,733	723,422
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	7,200	7,200	5,283
Gain on sale of capital assets	-	-	30,674
Total non-operating revenues (expenses)	7,200	7,200	35,957
CHANGE IN NET POSITION	\$ 1,213,339	\$ 939,933	759,379
NET POSITION, JANUARY 1			12,409,018
Prior period adjustment			(2,675)
NET POSITION, JANUARY 1, RESTATED			12,406,343
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 13,165,722</b>

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

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	<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	3,400	3,400	3,400
Television services division	800	800	800
Community development - planning	1,500	1,500	1,500
Community development - building	4,200	4,200	4,200
Community development - housing	6,900	6,900	6,900
Community development - health	1,500	1,500	1,500
Police department	162,200	162,200	162,200
Fire department	488,300	488,300	488,300
Public works department	357,800	357,800	357,800
Engineering division	10,400	10,400	10,400
Human services	200	200	200
Water and Sewer Fund	313,400	313,400	313,400
Parking System Revenue Fund	10,960	10,960	10,960
Village Parking Fund	16,440	16,440	16,440
Other fee	11,150	11,150	13,894
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 1,391,650</b>	<b>\$ 1,391,650</b>	<b>\$ 1,394,394</b>

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(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>OPERATING EXPENSES</b>			
Administration			
Capital outlay - Police vehicles	\$ 333,000	\$ 333,000	\$ 245,332
Capital outlay - pool vehicles	24,000	24,000	21,213
Capital outlay - Fire	38,000	86,406	55,953
Capital outlay - Public Works	514,000	739,000	369,646
Less capital assets capitalized	(723,489)	(723,489)	(633,034)
	<hr/>	<hr/>	<hr/>
Total administration	185,511	458,917	59,110
Depreciation	-	-	611,862
	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 185,511</b>	<b>\$ 458,917</b>	<b>\$ 670,972</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

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,157,889	\$ 2,157,889	\$ 2,157,887
Miscellaneous income	-	-	1,880
Total operating revenues	<u>2,157,889</u>	<u>2,157,889</u>	<u>2,159,767</u>
<b>OPERATING EXPENSES</b>			
Administration and maintenance	2,194,898	2,234,037	2,016,321
Depreciation	-	-	3,187
Total operating expenses	<u>2,194,898</u>	<u>2,234,037</u>	<u>2,019,508</u>
OPERATING INCOME (LOSS)	<u>(37,009)</u>	<u>(76,148)</u>	<u>140,259</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	<u>600</u>	<u>600</u>	<u>413</u>
Total non-operating revenues (expenses)	<u>600</u>	<u>600</u>	<u>413</u>
CHANGE IN NET POSITION	<u>\$ (36,409)</u>	<u>\$ (75,548)</u>	<u>140,672</u>
NET POSITION, JANUARY 1			<u>661,532</u>
<b>NET POSITION, DECEMBER 31</b>			<u><u>\$ 802,204</u></u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2015

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	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>CHARGES FOR SERVICES</b>			
General Fund			
Mayor and board	\$ 3,237	\$ 3,237	\$ 3,237
Manager's office	3,237	3,237	3,237
Television services division	3,452	3,452	3,452
Community development - planning	3,237	3,237	3,237
Community development - building	4,532	4,532	4,532
Community development - housing	22,658	22,658	22,658
Community development - health	3,237	3,237	3,237
Police department	549,614	549,614	549,612
Fire department	341,162	341,162	341,162
Public works department	668,298	668,298	668,298
Engineering division	35,174	35,174	35,174
Human service charges	3,237	3,237	3,237
Water and Sewer Fund	506,888	506,888	506,888
Parking System Revenue Fund	4,963	4,963	4,963
Village Parking Fund	4,963	4,963	4,963
Total charges for services	2,157,889	2,157,889	2,157,887
Miscellaneous income	-	-	1,880
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,157,889</b>	<b>\$ 2,157,889</b>	<b>\$ 2,159,767</b>

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(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
VEHICLE MAINTENANCE FUND

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2015

	Budget		Actual
	Original	Final	
<b>ADMINISTRATION AND MAINTENANCE</b>			
Vehicle division administration			
Personal services	\$ 111,092	\$ 111,092	\$ 110,460
Employee benefits	72,524	72,524	89,831
Other employee costs	2,408	2,408	1,810
Contractual services	10,651	50,495	19,005
Utilities	3,132	3,132	3,754
Commodities and supplies	1,936	1,936	1,830
Office equipment	567	567	55
Total vehicle division administration	202,310	242,154	226,745
Vehicle maintenance program			
Personal services	840,134	840,134	854,185
Employee benefits	306,840	306,840	301,634
Contractual services	92,162	100,162	96,293
Commodities and supplies	733,287	724,582	517,674
Other equipment	20,165	20,165	19,790
Total vehicle maintenance program	1,992,588	1,991,883	1,789,576
Total administration and maintenance	2,194,898	2,234,037	2,016,321
Depreciation	-	-	3,187
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,194,898</b>	<b>\$ 2,234,037</b>	<b>\$ 2,019,508</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.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2015

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	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,021,916	\$ 1,149,732	\$ 2,171,648
Investments			
State and local obligations	2,166,027	886,715	3,052,742
U.S. Government and U.S. agency obligations	11,606,888	10,881,287	22,488,175
Corporate bonds and obligations	9,065,676	7,466,458	16,532,134
Real estate	-	2,710,469	2,710,469
Mutual funds	34,459,260	33,701,726	68,160,986
	<hr/>		
Total cash and investments	58,319,767	56,796,387	115,116,154
Accrued interest receivable	147,209	109,829	257,038
Due from other funds	61,748	53,304	115,052
Prepays	375	1,420	1,795
	<hr/>		
Total assets	58,529,099	56,960,940	115,490,039
	<hr/>		
<b>LIABILITIES</b>			
Accounts payable	29,059	104,238	133,297
	<hr/>		
Total liabilities	29,059	104,238	133,297
	<hr/>		
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 58,500,040</b>	<b>\$ 56,856,702</b>	<b>\$ 115,356,742</b>

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(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, 2015

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,918,395	\$ 2,532,317	\$ 5,450,712
Plan members	795,827	606,932	1,402,759
Total contributions	3,714,222	3,139,249	6,853,471
Investment income			
Interest earned	790,995	640,540	1,431,535
Net change in fair value	(140,069)	1,245,789	1,105,720
Less investment expenses	(105,124)	(80,203)	(185,327)
Net investment income	545,802	1,806,126	2,351,928
Total additions	4,260,024	4,945,375	9,205,399
<b>DEDUCTIONS</b>			
Administration	49,947	62,136	112,083
Benefits and refunds	4,529,962	4,594,876	9,124,838
Total deductions	4,579,909	4,657,012	9,236,921
NET INCREASE (DECREASE)	(319,885)	288,363	(31,522)
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	58,819,925	56,568,339	115,388,264
December 31	\$ 58,500,040	\$ 56,856,702	\$ 115,356,742

(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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,910,175	\$ 2,910,175	\$ 2,918,395
Plan members	832,000	832,000	795,827
Other	1,000	1,000	-
Total contributions	<u>3,743,175</u>	<u>3,743,175</u>	<u>3,714,222</u>
Investment income			
Interest earned	862,800	862,800	790,995
Net change in fair value	3,520,000	1,345,000	(140,069)
Less investment expenses	(105,000)	(105,000)	(105,124)
Net investment income	<u>4,277,800</u>	<u>2,102,800</u>	<u>545,802</u>
Total additions	<u>8,020,975</u>	<u>5,845,975</u>	<u>4,260,024</u>
<b>DEDUCTIONS</b>			
Administration	76,200	76,200	49,947
Benefits and refunds	4,472,170	4,579,303	4,529,962
Total deductions	<u>4,548,370</u>	<u>4,655,503</u>	<u>4,579,909</u>
NET INCREASE (DECREASE)	<u>\$ 3,472,605</u>	<u>\$ 1,190,472</u>	(319,885)
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1			<u>58,819,925</u>
December 31			<u>\$ 58,500,040</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, 2015

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,526,125	\$ 2,526,125	\$ 2,532,317
Plan members	624,000	624,000	606,932
Other	1,000	1,000	-
Total contributions	<u>3,151,125</u>	<u>3,151,125</u>	<u>3,139,249</u>
Investment income			
Interest earned	765,500	765,500	640,540
Net change in fair value	3,485,000	1,120,000	1,245,789
Less investment expenses	<u>(88,000)</u>	<u>(88,000)</u>	<u>(80,203)</u>
Net investment income	<u>4,162,500</u>	<u>1,797,500</u>	<u>1,806,126</u>
Total additions	<u>7,313,625</u>	<u>4,948,625</u>	<u>4,945,375</u>
<b>DEDUCTIONS</b>			
Administration	76,100	76,100	62,136
Benefits and refunds	<u>4,334,168</u>	<u>4,584,821</u>	<u>4,594,876</u>
Total deductions	<u>4,410,268</u>	<u>4,660,921</u>	<u>4,657,012</u>
NET INCREASE	<u>\$ 2,903,357</u>	<u>\$ 287,704</u>	288,363
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1			<u>56,568,339</u>
December 31			<u>\$ 56,856,702</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, 2015

	<b>Balances January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances December 31</b>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,209,488	\$ 1,528,768	\$ 1,601,258	\$ 1,136,998
Due from other funds	-	9,406	9,406	-
Deposits	-	7,140	2,050	5,090
Other receivables	-	4,466	4,466	-
<b>TOTAL ASSETS</b>	<b>\$ 1,209,488</b>	<b>\$ 1,549,780</b>	<b>\$ 1,617,180</b>	<b>\$ 1,142,088</b>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,209,488	\$ 1,018,916	\$ 1,092,292	\$ 1,136,112
Due to other funds	-	140,791	140,791	-
Other liabilities	-	546,555	540,579	5,976
<b>TOTAL LIABILITIES</b>	<b>\$ 1,209,488</b>	<b>\$ 1,706,262</b>	<b>\$ 1,773,662</b>	<b>\$ 1,142,088</b>
<b>Escrow Deposit Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,176,371	\$ 1,237,312	\$ 1,312,284	\$ 1,101,399
Due from other funds	-	9,406	9,406	-
Other receivables	-	4,466	4,466	-
<b>TOTAL ASSETS</b>	<b>\$ 1,176,371</b>	<b>\$ 1,251,184</b>	<b>\$ 1,326,156</b>	<b>\$ 1,101,399</b>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,176,371	\$ 762,712	\$ 843,660	\$ 1,095,423
Due to other funds	-	135,804	135,804	-
Other liabilities	-	546,555	540,579	5,976
<b>TOTAL LIABILITIES</b>	<b>\$ 1,176,371</b>	<b>\$ 1,445,071</b>	<b>\$ 1,520,043</b>	<b>\$ 1,101,399</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, 2015

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	<b>Balances January 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances December 31</b>
<b>Flexcomp Escrow Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 33,117	\$ 291,456	\$ 288,974	\$ 35,599
Deposits	-	7,140	2,050	5,090
<b>TOTAL ASSETS</b>	<b>\$ 33,117</b>	<b>\$ 298,596</b>	<b>\$ 291,024</b>	<b>\$ 40,689</b>
<b>LIABILITIES</b>				
Deposits payable	\$ 33,117	\$ 256,204	\$ 248,632	\$ 40,689
Due to other funds	-	4,987	4,987	-
<b>TOTAL LIABILITIES</b>	<b>\$ 33,117</b>	<b>\$ 261,191</b>	<b>\$ 253,619</b>	<b>\$ 40,689</b>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

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

To account for the noncurrent portion of the Village's General Obligation Bond Issues, IEPA flood loans, installment contracts and notes payable, 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, 2015

	General Obligation Bonds of 2006	General Obligation Bonds of 2009	General Obligation Bonds of 2009B	General Obligation Bonds of 2009C	General Obligation Bonds of 2011A	General Obligation Bonds of 2011B	General Obligation Bonds of 2012	General Obligation Bonds of 2013
<b>AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>								
Amount to be provided for retirement of general long-term debt	\$ 9,555,000	\$ 9,800,000	\$ 2,035,000	\$ 2,585,000	\$ 725,000	\$ 3,675,000	\$ 1,745,000	\$ 9,800,000
<b>TOTAL</b>	<b>\$ 9,555,000</b>	<b>\$ 9,800,000</b>	<b>\$ 2,035,000</b>	<b>\$ 2,585,000</b>	<b>\$ 725,000</b>	<b>\$ 3,675,000</b>	<b>\$ 1,745,000</b>	<b>\$ 9,800,000</b>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>								
General obligation bonds payable	\$ 9,555,000	\$ 9,800,000	\$ 2,035,000	\$ 2,585,000	\$ 725,000	\$ 3,675,000	\$ 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>\$ 9,555,000</b>	<b>\$ 9,800,000</b>	<b>\$ 2,035,000</b>	<b>\$ 2,585,000</b>	<b>\$ 725,000</b>	<b>\$ 3,675,000</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, 2015

	General Obligation Bonds of 2014	Loan Contracts Payable	Installment Notes	Business District Limited Tax Note	Compensated Absences	Net Pension Liability	Net Other Postemployment Benefit Obligation	Total
<b>AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>								
Amount to be provided for retirement of general long-term debt	\$ 5,685,000	\$ 543,015	\$ 1,940,000	\$ 31,790,140	\$ 3,374,988	\$ 100,182,810	\$ 1,203,656	\$ 184,639,609
<b>TOTAL</b>	<b>\$ 5,685,000</b>	<b>\$ 543,015</b>	<b>\$ 1,940,000</b>	<b>\$ 31,790,140</b>	<b>\$ 3,374,988</b>	<b>\$ 100,182,810</b>	<b>\$ 1,203,656</b>	<b>\$ 184,639,609</b>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>								
General obligation bonds payable	\$ 5,685,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,605,000
IEPA flood loans	-	543,015	-	-	-	-	-	543,015
Installment notes payable	-	-	1,940,000	-	-	-	-	1,940,000
Business district limited tax note payable	-	-	-	31,790,140	-	-	-	31,790,140
Compensated absences payable	-	-	-	-	3,374,988	-	-	3,374,988
Net pension obligation	-	-	-	-	-	100,182,810	-	100,182,810
Net other postemployment benefit obligation	-	-	-	-	-	-	1,203,656	1,203,656
<b>TOTAL</b>	<b>\$ 5,685,000</b>	<b>\$ 543,015</b>	<b>\$ 1,940,000</b>	<b>\$ 31,790,140</b>	<b>\$ 3,374,988</b>	<b>\$ 100,182,810</b>	<b>\$ 1,203,656</b>	<b>\$ 184,639,609</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, 2015

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 9,555,000</u>	<u>\$ 1,687,391</u>	<u>\$ 11,242,391</u>		<u>\$ 843,696</u>		<u>\$ 843,695</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2009**

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 4,528,478</u>	<u>\$ 14,328,478</u>			<u>\$ 2,264,239</u>	<u>\$ 2,264,239</u>

(See independent auditor's report.)

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

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 2,035,000</u>	<u>\$ 265,050</u>	<u>\$ 2,300,050</u>	<u>\$ 132,522</u>		<u>\$ 132,528</u>	

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

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

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	December 1	Amount	
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>\$ 2,585,000</u>	<u>\$ 1,272,930</u>	<u>\$ 3,857,930</u>		<u>\$ 636,466</u>		<u>\$ 636,464</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2011A

December 31, 2015

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2015	676-820	\$ 725,000	\$ 12,688	\$ 737,688	2016	\$ 6,344	2016	\$ 6,344
		\$ 725,000	\$ 12,688	\$ 737,688		\$ 6,344		\$ 6,344

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2011B

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on		June 1	Amount	December 1	Amount
		Principal	Interest	Total	Amount	Amount				
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>\$ 3,675,000</u>	<u>\$ 282,870</u>	<u>\$ 3,957,870</u>		<u>\$ 141,435</u>		<u>\$ 141,435</u>		

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2012

December 31, 2015

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 352,012</u>	<u>\$ 2,097,012</u>			<u>\$ 176,006</u>	<u>\$ 176,006</u>

(See independent auditor's report.)



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2013

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 4,611,013</u>	<u>\$ 14,411,013</u>	<u>\$ 2,305,504</u>		<u>\$ 2,305,509</u>	

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS OF 2014**

December 31, 2015

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 5,685,000</u>	<u>\$ 958,500</u>	<u>\$ 6,643,500</u>		<u>\$ 479,250</u>		<u>\$ 479,250</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, 2015

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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 Levy Year</b>	<b>Payment Numbers</b>	<b>Requirements</b>		
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	37-38	\$ 76,800	\$ 3,952	\$ 80,752
2017	39-40	79,035	1,717	80,752
		<u>\$ 155,835</u>	<u>\$ 5,669</u>	<u>\$ 161,504</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, 2015

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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 Levy Year</b>	<b>Payment Numbers</b>	<b>Requirements</b>		
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 387,179</u>	<u>\$ 20,593</u>	<u>\$ 407,772</u>

(See independent auditor's report.)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
INSTALLMENT NOTE PAYABLE OF 2012**

December 31, 2015

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 Levy Year	Payment Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 1,940,000</u>	<u>\$ 46,957</u>	<u>\$ 1,986,957</u>		<u>\$ 23,478</u>		<u>\$ 23,479</u>

(See independent auditor's report.)

**ADDITIONAL SUPPLEMENTAL DATA**

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2015

Type of Coverage	Self-Insured Retention	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
Property, Building, and Contents	\$ 25,000	\$ 98,062,237	None	Federal Insurance Co./Chubb	01/01/16
Excess Workers' Compensation	600,000	Statutory	\$ 1,000,000	Safety National Insurance Co.	01/01/16
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	08/01/16
Fiduciary Liability - Firefighters' Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	08/01/16
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	05/01/16
Depositors Forgery	1,000	100,000	None	Travelers	05/01/16
Public Officials Bond - President	-	100,000	100,000	Liberty Mutual	05/01/16
Public Officials Bond - Manager	-	100,000	100,000	Liberty Mutual	05/01/16
Public Officials Bond - Village Treasurer	-	250,000	250,000	Liberty Mutual	05/01/16
Contingent Tax Interruption	25,000	9,000,000	9,000,000	Federal Insurance Co./Chubb	01/01/16
Employee and Retiree Health Insurance	30,000/75,000	None	None	Intergovernmental Personal Benefit Cooperative	06/30/17
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 SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	179-188
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	189-197
<b>Debt Capacity</b> 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.	201
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	202-203
<b>Operating Information</b> 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.	204-208

*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>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 24,671,547	\$ 26,114,472	\$ 29,663,909	\$ 27,741,453
Restricted	4,197,018	3,178,963	2,367,670	4,497,173
Unrestricted	18,553,994	23,151,760	21,216,625	20,277,880
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 47,422,559</b>	<b>\$ 52,445,195</b>	<b>\$ 53,248,204</b>	<b>\$ 52,516,506</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 18,321,345	\$ 19,437,672	\$ 20,776,324	\$ 22,412,134
Unrestricted	6,172,718	6,833,310	6,852,644	5,996,007
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 24,494,063</b>	<b>\$ 26,270,982</b>	<b>\$ 27,628,968</b>	<b>\$ 28,408,141</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 42,992,892	\$ 45,552,144	\$ 50,440,233	\$ 50,153,587
Restricted	4,197,018	3,178,963	2,367,670	4,497,173
Unrestricted	24,726,712	29,985,070	28,069,269	26,273,887
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 71,916,622</b>	<b>\$ 78,716,177</b>	<b>\$ 80,877,172</b>	<b>\$ 80,924,647</b>

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

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

Data Source

Audited Financial Statements

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>	<b>2015**</b>
\$ 30,020,260	\$ 53,524,378	\$ 48,521,357	\$ 48,152,760	\$ 46,326,047	\$ 43,755,661
4,891,298	2,828,903	3,547,328	3,045,922	4,186,505	5,319,794
18,296,001	20,019,184	24,952,139	24,153,907	(10,441,020)	(99,563,419)
<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>	<b>\$ (50,487,964)</b>
\$ 23,044,064	\$ 26,892,474	\$ 26,566,375	\$ 26,352,289	\$ 26,854,967	\$ 36,336,899
5,927,430	5,167,986	6,820,901	8,057,996	7,734,851	5,580,049
<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>	<b>\$ 41,916,948</b>
\$ 53,064,324	\$ 80,416,852	\$ 75,087,732	\$ 74,505,049	\$ 73,181,014	\$ 80,092,560
4,891,298	2,828,903	3,547,328	3,045,922	4,186,505	5,319,794
24,223,431	25,187,170	31,773,040	32,211,903	(2,706,169)	(93,983,370)
<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>	<b>\$ (8,571,016)</b>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>EXPENSES</b>				
Governmental Activities				
General government	\$ 5,110,605	\$ 5,777,024	\$ 6,682,541	\$ 7,192,572
Public safety	23,336,436	24,565,640	26,646,855	27,172,360
Highways and streets	10,888,397	11,512,271	13,540,232	12,101,419
Health	3,863,140	4,085,316	4,163,354	4,194,045
Welfare	1,344,516	1,759,776	1,744,504	2,316,995
Culture and recreation	272,826	221,806	409,066	367,635
Interest	1,360,081	728,640	837,127	1,047,961
Total governmental activities expenses	<u>46,176,001</u>	<u>48,650,473</u>	<u>54,023,679</u>	<u>54,392,987</u>
Business-Type Activities				
Water and sewer	9,200,271	8,839,710	9,179,399	9,393,148
Commuter parking	409,041	259,434	263,394	233,701
Total business-type activities expenses	<u>9,609,312</u>	<u>9,099,144</u>	<u>9,442,793</u>	<u>9,626,849</u>
<b>TOTAL PRIMARY GOVERNMENTAL EXPENSES</b>	<u>\$ 55,785,313</u>	<u>\$ 57,749,617</u>	<u>\$ 63,466,472</u>	<u>\$ 64,019,836</u>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for services				
General government	\$ 4,750,937	\$ 5,057,855	\$ 5,045,338	\$ 6,705,200
Public safety	2,096,875	2,658,824	2,242,952	1,580,052
Highway and streets	176,019	231,468	169,615	237,786
Other activities	288,914	305,467	320,488	65,933
Operating grants and contributions	513,703	594,223	1,800,781	2,551,348
Capital grants and contributions	2,106,688	2,812,836	764,283	406,734
Total governmental activities program revenues	<u>9,933,136</u>	<u>11,660,673</u>	<u>10,343,457</u>	<u>11,547,053</u>
Business-Type Activities				
Charges for services				
Water and sewer	8,506,767	8,888,249	8,774,681	8,500,396
Commuter parking	207,085	210,036	269,400	218,735
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>8,713,852</u>	<u>9,098,285</u>	<u>9,044,081</u>	<u>8,719,131</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u>\$ 18,646,988</u>	<u>\$ 20,758,958</u>	<u>\$ 19,387,538</u>	<u>\$ 20,266,184</u>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (36,242,865)	\$ (36,989,800)	\$ (43,680,222)	\$ (42,845,934)
Business-type activities	(895,460)	(859)	(398,712)	(907,718)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<u>\$ (37,138,325)</u>	<u>\$ (36,990,659)</u>	<u>\$ (44,078,934)</u>	<u>\$ (43,753,652)</u>

	2010	2011	2012	2013	2014	2015*
\$	6,541,405	\$ 6,992,107	\$ 6,233,324	\$ 7,356,433	\$ 10,171,883	\$ 11,514,091
	27,303,165	27,276,948	28,134,173	29,771,502	30,812,251	38,535,612
	12,924,872	18,141,803	15,853,017	18,570,593	19,923,120	26,650,772
	4,133,883	4,289,103	4,407,533	4,459,897	4,591,946	4,538,800
	2,039,805	1,902,841	1,909,062	1,868,952	1,844,911	1,813,254
	322,553	353,308	406,606	443,171	425,217	453,534
	1,146,789	1,329,499	1,033,923	1,016,337	2,899,466	2,064,448
	54,412,472	60,285,609	57,977,638	63,486,885	70,668,794	85,570,511
	9,950,591	10,444,247	11,129,942	12,078,221	13,779,500	14,143,610
	284,607	327,224	345,715	346,303	329,988	269,619
	10,235,198	10,771,471	11,475,657	12,424,524	14,109,488	14,413,229
\$	64,647,670	\$ 71,057,080	\$ 69,453,295	\$ 75,911,409	\$ 84,778,282	\$ 99,983,740
\$	6,271,966	\$ 6,343,828	\$ 7,068,010	\$ 6,908,188	\$ 7,785,745	\$ 4,458,450
	1,486,144	1,545,333	1,412,279	1,583,328	1,712,860	1,796,729
	135,641	108,865	126,660	269,066	414,316	183,246
	70,964	32,040	39,163	41,220	515,095	4,467,864
	2,338,965	2,749,168	1,974,867	2,356,665	2,209,036	1,912,795
	443,278	65,905	72,175	288,752	140,181	47,274
	10,746,958	10,845,139	10,693,154	11,447,219	12,777,233	12,866,358
	8,916,621	9,081,731	10,990,923	11,507,264	11,970,681	12,434,405
	210,324	219,040	225,214	234,458	254,784	261,745
	-	-	-	-	-	-
	-	-	-	-	373,498	8,889,998
	9,126,945	9,300,771	11,216,137	11,741,722	12,598,963	21,586,148
\$	19,873,903	\$ 20,145,910	\$ 21,909,291	\$ 23,188,941	\$ 25,376,196	\$ 34,452,506
\$	(43,665,514)	\$ (49,440,470)	\$ (47,284,484)	\$ (52,039,666)	\$ (57,891,561)	\$ (72,704,153)
	(1,108,253)	(1,470,700)	(259,520)	(682,802)	(1,510,525)	7,172,919
\$	(44,773,767)	\$ (50,911,170)	\$ (47,544,004)	\$ (52,722,468)	\$ (59,402,086)	\$ (65,531,234)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property	\$ 15,183,214	\$ 15,817,195	\$ 15,942,106	\$ 16,543,215
Utility	-	-	-	4,519,175
Business district	-	-	-	-
Home rule sales	12,720,614	12,773,695	14,862,634	4,061,202
Telecommunications	2,471,590	2,741,121	2,770,473	-
Other	9,537,327	9,712,568	10,346,444	1,524,823
Intergovernmental				
State sales and use	-	-	-	9,761,726
Income taxes	-	-	-	4,573,162
Replacement taxes	-	-	-	338,134
Property tax TIF rebate	-	-	-	-
Charitable games tax	-	-	-	-
Investment income	908,782	924,989	416,673	187,793
Miscellaneous	101,242	42,868	93,781	605,006
Transfers	10,433	-	-	-
Contributions	-	-	51,120	-
Total governmental activities	40,933,202	42,012,436	44,483,231	42,114,236
Business-Type Activities				
Property tax	1,527,407	1,504,501	1,505,394	1,520,602
Home rule sales tax	-	-	92,154	82,882
Investment income	217,235	262,430	159,150	26,646
Miscellaneous	-	-	-	56,761
Transfers	(10,433)	-	-	-
Total business-type activities	1,734,209	1,766,931	1,756,698	1,686,891
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 42,667,411</b>	<b>\$ 43,779,367</b>	<b>\$ 46,239,929</b>	<b>\$ 43,801,127</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 4,690,337	\$ 5,022,636	\$ 803,009	\$ (731,698)
Business-type activities	838,749	1,766,072	1,357,986	779,173
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 5,529,086</b>	<b>\$ 6,788,708</b>	<b>\$ 2,160,995</b>	<b>\$ 47,475</b>

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

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015*
\$	17,165,849	\$ 17,942,394	\$ 18,385,422	\$ 18,890,542	\$ 19,745,699	\$ 19,884,986
	4,589,221	4,624,678	4,658,265	3,891,713	4,093,596	3,774,729
	-	-	283,706	317,527	331,933	342,040
	4,392,753	4,673,134	4,750,232	5,035,998	5,320,795	5,367,762
	-	-	-	-	-	-
	1,598,056	1,976,997	2,408,064	2,952,665	3,421,604	3,940,993
	11,110,707	11,411,781	11,877,115	13,254,358	14,310,773	16,311,253
	4,428,176	4,328,196	4,759,513	5,161,051	5,186,155	5,763,542
	362,532	357,596	358,286	396,999	407,764	386,154
	-	-	-	-	-	365,634
	-	3,986	4,090	4,090	4,812	-
	67,001	29,043	42,452	29,785	(46,496)	24,784
	633,902	235,167	278,293	436,703	47,636	42,059
	8,370	-	-	-	-	(200,000)
	-	-	-	-	-	-
	44,356,567	45,582,972	47,805,438	50,371,431	52,824,271	56,003,936
	1,513,114	1,526,828	1,515,605	1,507,661	1,508,704	1,519,375
	89,942	107,576	99,795	104,050	100,697	101,595
	1,653	836	517	3,387	3,189	34,195
	75,267	73,858	(29,581)	90,713	77,468	94,424
	(8,370)	-	-	-	-	200,000
	1,671,606	1,709,098	1,586,336	1,705,811	1,690,058	1,949,589
\$	46,028,173	\$ 47,292,070	\$ 49,391,774	\$ 52,077,242	\$ 54,514,329	\$ 57,953,525
\$	691,053	\$ (3,857,498)	\$ 520,954	\$ (1,668,235)	\$ (5,067,290)	\$ (16,700,217)
	563,353	238,398	1,326,816	1,023,009	179,533	9,122,508
\$	1,254,406	\$ (3,619,100)	\$ 1,847,770	\$ (645,226)	\$ (4,887,757)	\$ (7,577,709)

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GENERAL FUND</b>				
Reserved	\$ 73,529	\$ 40,910	\$ 228,750	\$ 88,492
Unreserved	11,733,539	12,774,003	12,312,075	10,110,989
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,807,068</b>	<b>\$ 12,814,913</b>	<b>\$ 12,540,825</b>	<b>\$ 10,199,481</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 4,333,108	\$ 3,329,107	\$ 2,523,221	\$ 4,762,560
Unreserved, reported in				
Special Revenue Funds	1,844,687	2,028,077	2,043,378	1,674,387
Debt Service Funds	-	-	(908,466)	(485,274)
Capital Project Funds	1,447,070	2,315,134	303,492	1,965,761
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 7,624,865</b>	<b>\$ 7,672,318</b>	<b>\$ 3,961,625</b>	<b>\$ 7,917,434</b>

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

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 53,536	\$ -	\$ -	\$ -	\$ -	\$ -
10,364,455	-	-	-	-	-
-	100,590	98,150	297,762	337,165	204,023
-	10,704,282	11,466,179	11,580,820	12,508,457	17,016,920
<u>\$ 10,417,991</u>	<u>\$ 10,804,872</u>	<u>\$ 11,564,329</u>	<u>\$ 11,878,582</u>	<u>\$ 12,845,622</u>	<u>\$ 17,220,943</u>
\$ 2,188,376	\$ -	\$ -	\$ -	\$ -	\$ -
2,148,898	-	-	-	-	-
(78,844)	-	-	-	-	-
2,459,761	-	-	-	-	-
-	147,130	144,114	132,464	147,412	107,609
-	2,828,903	3,625,715	3,166,583	13,941,797	5,212,985
-	3,564,914	7,525,930	15,705,506	7,371,630	3,679,129
-	(5,578)	(664)	(689)	(789)	(448,034)
<u>\$ 6,718,191</u>	<u>\$ 6,535,369</u>	<u>\$ 11,295,095</u>	<u>\$ 19,003,864</u>	<u>\$ 21,460,050</u>	<u>\$ 8,551,689</u>



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>REVENUES</b>				
Taxes	\$ 25,829,233	\$ 26,460,490	\$ 27,287,056	\$ 26,648,415
Licenses, permits, and fees	3,216,982	3,445,370	3,094,828	3,748,456
Intergovernmental	16,664,264	17,783,855	19,104,781	17,274,500
Charges for services	3,226,074	3,780,453	3,618,419	3,832,341
Fines and forfeits	521,473	720,673	720,351	529,655
Investment income	908,782	924,989	416,673	137,142
Miscellaneous	489,097	557,279	533,460	834,738
<b>Total revenues</b>	<b>50,855,905</b>	<b>53,673,109</b>	<b>54,775,568</b>	<b>53,005,247</b>
<b>EXPENDITURES</b>				
General government	4,901,739	5,298,202	5,725,191	5,796,151
Public safety	23,205,517	24,767,992	25,906,274	26,384,953
Highways and streets	7,555,575	9,204,868	9,168,071	8,291,493
Health	3,873,480	4,102,547	4,156,319	4,188,172
Welfare	1,366,367	1,786,121	1,736,791	2,316,995
Culture and recreation	333,148	281,737	381,892	358,207
Capital outlay	3,470,144	2,437,381	6,623,970	14,296,659
Debt service				
Principal retirement	2,605,399	3,529,734	4,149,735	1,425,219
Interest and fiscal charges	1,264,364	1,044,123	891,181	1,023,907
<b>Total expenditures</b>	<b>48,575,733</b>	<b>52,452,705</b>	<b>58,739,424</b>	<b>64,081,756</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,280,172</b>	<b>1,220,404</b>	<b>(3,963,856)</b>	<b>(11,076,509)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	-	16,080,000
Premium on bonds issued	-	-	-	124,535
Payment to escrow agent	-	-	-	(3,513,925)
Transfers in	1,344,953	105	809,422	635,100
Transfers (out)	(1,386,484)	(165,211)	(833,242)	(635,100)
Sale of capital assets	-	-	2,895	364
<b>Total other financing sources (uses)</b>	<b>(41,531)</b>	<b>(165,106)</b>	<b>(20,925)</b>	<b>12,690,974</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,238,641</b>	<b>\$ 1,055,298</b>	<b>\$ (3,984,781)</b>	<b>\$ 1,614,465</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	<b>8.07%</b>	<b>8.78%</b>	<b>9.00%</b>	<b>4.55%</b>

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	27,740,802	\$ 29,217,203	\$ 30,485,689	\$ 31,088,445	\$ 32,564,624	\$ 33,433,891
	3,394,211	3,356,816	3,657,586	3,589,368	3,516,082	3,915,635
	18,719,087	18,895,261	18,862,827	21,103,909	23,914,974	26,018,173
	3,789,976	3,974,677	4,417,110	4,408,987	5,220,730	5,664,398
	556,178	548,993	403,036	430,960	587,966	511,536
	55,457	23,103	36,491	16,751	(46,495)	24,784
	781,149	406,118	629,892	1,167,196	983,623	656,877
	55,036,860	56,422,171	58,492,631	61,805,616	66,741,504	70,225,294
	5,240,716	5,284,168	5,827,275	7,452,147	7,050,018	7,598,649
	26,935,085	26,992,535	28,022,943	29,233,562	30,706,685	30,350,270
	7,450,823	7,681,534	7,734,185	9,094,846	8,291,698	7,744,122
	4,128,010	4,286,754	4,405,184	4,457,548	4,590,027	4,589,156
	2,039,805	1,902,841	1,909,062	1,868,952	1,865,265	1,961,516
	313,125	346,068	399,366	435,931	421,517	467,611
	7,739,590	7,274,213	4,761,739	8,588,414	12,075,460	20,998,508
	1,046,203	1,377,700	1,479,732	1,537,312	2,987,587	3,048,912
	1,124,236	1,057,464	959,812	913,882	1,914,718	1,799,590
	56,017,593	56,203,277	55,499,298	63,582,594	69,902,975	78,558,334
	(980,733)	218,894	2,993,333	(1,776,978)	(3,161,471)	(8,333,040)
	-	5,160,000	5,475,000	9,800,000	6,290,000	-
	-	-	-	-	294,697	-
	-	(5,139,582)	(2,949,150)	-	-	-
	450,000	80,089	-	239,977	-	81,599
	(450,000)	(115,342)	-	(239,977)	-	(281,599)
	-	-	-	-	-	-
	-	(14,835)	2,525,850	9,800,000	6,584,697	(200,000)
\$	(980,733)	\$ 204,059	\$ 5,519,183	\$ 8,023,022	\$ 3,423,226	\$ (8,533,040)
	4.12%	4.35%	4.40%	4.01%	7.02%	6.20%

**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>
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%
2014	989,619,882	285,736,126	114,184,895	836,775	1,390,377,678	1.276	4,171,133,034	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

<b>Tax Levy 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>
<b>VILLAGE DIRECT RATES</b>										
Corporate	0.457	0.469	0.416	0.393	0.399	0.377	0.444	0.501	0.688	0.724
Bonds and interest	0.092	0.083	0.071	0.093	0.076	0.098	0.105	0.113	0.167	0.165
Garbage	0.122	0.126	0.110	0.090	0.089	0.098	0.109	0.121	0.026	-
Police Pension	0.081	0.085	0.077	0.078	0.102	0.137	0.147	0.167	0.214	0.208
Firefighters' Pension	0.075	0.083	0.076	0.078	0.088	0.119	0.131	0.149	0.180	0.179
<b>TOTAL DIRECT RATES</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>1.276</b>
<b>OVERLAPPING RATES</b>										
Mount Prospect Library	0.466	0.482	0.439	0.441	0.450	0.519	0.582	0.646	0.761	0.758
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568
Consolidated Elections	0.014	-	0.012	-	0.021	-	0.025	-	0.031	-
Forest Preserve District	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430
Suburban TB Sanitarium	0.005	0.005	-	-	-	-	-	-	-	-
Township of Elk Grove	0.044	0.044	0.040	0.041	0.044	0.049	0.056	0.064	0.077	0.076
Township of Maine	0.070	0.073	0.065	0.064	0.067	0.075	0.085	0.096	0.120	0.119
Township of Wheeling	0.041	0.043	0.038	0.038	0.039	0.043	0.048	0.052	0.056	0.052
General Assistance Elk Grove	0.009	0.009	0.008	0.009	0.010	0.011	0.012	0.014	0.017	0.017
General Assistance Maine	0.015	0.016	0.015	0.015	0.016	0.018	0.021	0.023	0.029	0.029
General Assistance Wheeling	0.009	0.010	0.009	0.009	0.009	0.005	0.009	0.009	0.010	0.010
Road and Bridge Elk Grove	0.009	0.009	0.009	0.009	0.010	0.011	0.013	0.014	0.017	0.018
Road and Bridge Maine	0.036	0.038	0.034	0.033	0.034	0.038	0.043	0.049	0.061	0.062
Road and Bridge Wheeling	0.012	0.013	0.012	0.012	0.012	0.014	0.015	0.016	0.019	0.019
Northwest Mosquito Abatement	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013
Arlington Heights High School #214	1.759	1.823	1.621	1.587	1.636	1.839	2.067	2.324	2.768	2.776
Community College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451
Arlington Heights Park District	0.453	0.461	0.404	0.379	0.392	0.450	0.496	0.545	0.633	0.636
Village of Mount Prospect										
Special Service Area #6	-	-	-	-	-	-	-	-	-	-
Special Service Area #5	0.117	0.118	0.101	0.096	0.095	0.105	0.114	0.122	0.140	0.138
School District #59	1.933	2.013	1.791	1.810	1.945	2.129	2.422	2.673	3.172	3.176

<b>Tax levy 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>
<b>OVERLAPPING RATES (Continued)</b>										
Mount Prospect Park District	0.459	0.474	0.411	0.407	0.411	0.453	0.502	0.557	0.657	0.654
School District #57	2.643	2.694	2.334	2.246	2.195	2.521	2.748	3.041	3.478	3.241
School District #25	3.225	3.295	2.890	2.807	2.510	2.813	3.101	3.416	3.659	3.678
River Trails Park District	0.480	0.484	0.428	0.422	0.433	0.510	0.553	0.632	0.747	0.748
School District #26	2.880	3.047	2.698	2.696	2.703	3.131	3.458	3.873	4.563	4.572
Prospect Heights Park District	0.640	0.658	0.561	0.544	0.523	0.595	0.661	0.746	0.856	0.884
School District #23	2.880	2.948	2.418	2.363	2.253	2.571	2.869	3.273	3.932	3.922
School District #21	3.394	3.502	3.154	3.161	3.209	3.658	4.164	4.556	4.841	5.430
Des Plaines Park District	0.350	0.356	0.312	0.300	0.317	0.338	0.379	0.425	0.531	0.529
Prospect Heights Old Town Sanitary	0.071	0.074	0.039	0.015	0.015	0.017	0.020	0.023	0.028	0.028
Elk Grove Rural Fire Protection District	0.841	1.039	0.895	0.971	1.032	1.055	1.121	1.096	1.296	1.329
Prospect Heights Rural Fire Protection District	0.767	0.795	0.693	0.677	0.652	0.755	0.845	0.934	1.091	1.102
High School #207	1.757	1.826	1.602	1.577	1.617	1.782	1.995	2.215	2.722	2.739
Community College #535	0.158	0.166	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258
School District #62	2.501	2.627	2.350	2.329	2.492	2.741	3.107	3.490	4.255	4.293
<b>TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP, AND SCHOOL DISTRICT #59</b>										
	6.840	6.961	6.212	6.114	6.346	6.997	7.913	8.813	10.418	10.420
<b>SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES</b>										
	12.1%	12.2%	12.1%	12.0%	11.9%	11.8%	11.8%	11.9%	12.2%	12.2%
<b>TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP, AND SCHOOL DISTRICT #26</b>										
	7.787	7.999	7.121	7.000	7.100	7.990	8.940	9.998	11.783	11.786
<b>SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES</b>										
	10.6%	10.6%	10.5%	10.5%	10.6%	10.4%	10.5%	10.5%	10.8%	10.8%

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

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2014				2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Randhurst Improvements, LLC.	\$ 21,621,707	1	1.56%	Randhurst/Rouse Company	\$ 38,116,397	1	2.39%
Ramco-Gershenson Properties, L.P.	21,063,705	2	1.51%	New Plan Excel Property	26,557,059	2	1.67%
Home Properties	15,776,353	3	1.13%	Home Properties Colony	22,278,548	3	1.40%
Golf Plaza I & II	13,805,868	4	0.99%	Golf Plaza	17,140,609	4	1.07%
United Airlines Inc.	11,320,095	5	0.81%	CRP Holdings	16,779,310	5	1.05%
Crp-3 Acquisitions, LLC	10,134,949	6	0.73%	Huntington	12,635,822	6	0.79%
First Industrial Rlty	7,854,178	7	0.56%	Costco Properties	11,928,773	7	0.75%
LIT Industrial Limited	7,308,985	8	0.53%	Lake Center Plaza Partners	9,449,496	8	0.59%
Costco Properties	7,286,163	9	0.52%	Wal-Mart	9,146,179	9	0.57%
Cummins Alison Corp	6,949,469	10	0.50%	PFG 800 Biermann	8,231,538	10	0.52%
	<u>\$ 123,121,472</u>		<u>8.86%</u>		<u>\$ 172,263,731</u>		<u>10.80%</u>
Total 2014 Equalized Assessed Valuation	<u>\$ 1,390,377,678</u>		<u>100.00%</u>	Total 2004 Equalized Assessed Valuation	<u>\$ 1,594,975,722</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
2006	2005	\$ 13,175,689	\$ 12,222,889	92.77%	\$ 645,169	\$ 12,868,058	97.67%
2007	2006	13,506,574	12,369,490	91.58%	872,158	13,241,648	98.04%
2008	2007	14,014,838	13,648,416	97.39%	(77,480)	13,570,936	96.83%
2009	2008	14,472,269	14,137,805	97.69%	(12,343)	14,125,462	97.60%
2010	2009	15,194,636	14,856,084	97.77%	(86,655)	14,769,429	97.20%
2011	2010	15,194,635	14,961,411	98.47%	(31,144)	14,930,267	98.26%
2012	2011	15,852,352	15,614,490	98.50%	3,794	15,618,284	98.52%
2013	2012	16,477,871	16,278,228	98.79%	31,614	16,309,842	98.98%
2014	2013	17,301,436	17,064,355	98.63%	155,542	17,219,897	99.53%
2015	2014	17,741,219	17,521,845	98.76%	-	17,521,845	98.76%

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>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>2015</b>
General merchandise	\$ 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	\$ 1,112,640
Food	883,285	1,042,920	1,069,087	1,005,043	944,631	895,984	862,501	876,288	891,855	949,277
Drinking and eating places	566,627	583,799	564,572	522,897	544,118	596,008	661,285	764,653	778,314	825,994
Apparel	157,184	149,857	68,774	33,425	37,444	216,301	118,034	149,317	163,857	162,116
Furniture, H.H. and radio	280,088	274,809	243,339	225,436	224,221	237,392	255,967	240,289	221,977	220,663
Lumber, building hardware	869,944	801,315	704,972	650,987	668,852	683,905	670,057	750,191	756,113	791,285
Automobile and filling stations	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	1,540,910
Drugs and miscellaneous retail	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	5,460,292
Agriculture and all others	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	3,629,675
Manufacturers	105,704	110,189	184,057	93,616	129,476	135,019	110,009	182,433	383,370	433,798
<b>TOTAL</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>\$ 15,126,650</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>1,168</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>	<b>997</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>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>2015*</b>
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,393	\$ 88,289	\$ 85,937	\$ 84,364
Food	-	-	-	-	-	-	18,898	19,146	20,989	20,747
Drinking and eating places	-	-	-	-	-	-	29,413	40,954	48,185	51,419
Apparel	-	-	-	-	-	-	16,341	15,594	19,302	19,963
Furniture, H.H. and radio	-	-	-	-	-	-	16,287	17,106	16,461	16,088
Lumber, building hardware	-	-	-	-	-	-	90,668	101,338	104,434	107,339
Automobile and filling stations	-	-	-	-	-	-	-	-	-	-
Drugs and miscellaneous retail	-	-	-	-	-	-	17,747	29,896	32,071	37,063
Agriculture and all others	-	-	-	-	-	-	4,959	5,203	4,554	5,057
Manufacturers	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</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>\$ 342,041</b>
<b>VILLAGE HOME RULE 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>0.25%</b>	<b>0.25%</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 TAX BY CATEGORY

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012 *	2013 *	2014 *	2015 *
General merchandise	\$ 793,949	\$ 811,505	\$ 967,261	\$ 693,008	\$ 811,120	\$ 749,509	\$ 900,240	\$ 885,410	\$ 864,254	\$ 861,799
Food	160,335	197,945	261,398	248,128	266,766	254,207	238,050	240,013	234,082	249,683
Drinking and eating places	420,844	434,613	558,908	519,177	539,414	592,596	656,376	754,898	766,264	808,304
Apparel	117,804	112,251	68,267	33,424	37,442	153,487	117,928	148,991	163,487	161,630
Furniture, H.H. and radio	209,656	205,312	240,192	223,116	220,694	232,711	251,253	235,936	218,184	217,031
Lumber, building hardware	649,820	598,495	701,258	646,990	665,409	680,356	665,891	743,492	752,301	787,000
Automobile and filling stations	464,579	494,408	640,842	596,221	697,383	891,042	922,948	948,339	956,255	893,301
Drugs and miscellaneous retail	387,350	381,387	413,511	407,587	484,085	432,639	454,001	509,608	508,772	488,963
Agriculture and all others	592,983	621,576	819,975	647,829	632,050	659,611	514,937	492,238	550,929	548,380
Manufacturers	76,697	80,093	180,157	89,263	126,598	131,640	107,183	179,710	380,685	431,129
<b>TOTALS</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>\$ 4,828,806</b>	<b>\$ 5,138,635</b>	<b>\$ 5,395,213</b>	<b>\$ 5,447,220</b>
<b>NUMBER OF TAXPAPERS</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>	<b>997</b>
<b>VILLAGE HOME RULE SALES TAX RATE</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>1.00%</b>

Note: Excluding additional allocations received (excluded from IDOR Online report as well.)  
Interest Income included in Warrants is not reflected in this schedule.

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>
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%
2015*	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				
2006	\$ 16,540,764	\$ 2,570,000	\$ 4,760,147	\$ 705,000	\$ -	\$ -	\$ 24,575,911	1.65%	437	
2007	14,760,000	1,655,000	4,290,413	355,000	-	-	21,060,413	1.41%	374	
2008	13,105,000	-	3,805,678	-	-	-	16,910,678	1.14%	301	
2009	24,770,000	-	3,305,459	-	-	-	28,075,459	1.89%	499	
2010	24,240,000	-	2,789,256	-	-	-	27,029,256	1.82%	480	
2011	23,630,000	-	2,256,556	-	-	-	25,886,556	1.44%	478	
2012	22,790,000	-	1,706,824	2,500,000	-	-	26,996,824	1.50%	498	
2013	31,645,000	-	1,139,512	2,475,000	30,451,305	-	65,710,817	3.65%	1,213	
2014	48,433,628	-	721,927	2,340,000	31,514,427	-	83,009,982	4.61%	1,532	
2015	45,927,931	-	543,014	1,940,000	31,790,140	-	80,201,085	4.46%	1,481	

\* See the schedule of Demographic and Economic Information on page 202 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

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<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>
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	48,433,628	131,635	48,301,993	1.19%	891.72
2015	45,927,931	154,206	45,773,725	1.10%	845.05

\*See the schedule of Assessed Value and Actual Value of Taxable Property on page 189 for property value data.

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

Data Sources

Audited financial statements  
Office of the County Clerk

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2015

<b>Governmental unit</b>	<b>(1) Gross Debt</b>	<b>(2) Percentage Debt Applicable to the Village</b>	<b>(3) Village's Share of Debt</b>
Village of Mount Prospect	\$ 80,201,085	100.000%	\$ 80,201,085
County of Cook	3,471,016,750	1.087%	37,729,952
Forest Preserve District of Cook County	165,330,000	1.087%	1,797,137
Metropolitan Water Reclamation District	2,323,647,000	1.108%	25,746,009
Community College District #535	33,175,000	0.014%	4,645
Community College District #512	156,475,000	8.938%	13,985,736
School District #214	41,305,000	18.386%	7,594,337
School District #207	7,310,000	0.067%	4,898
School District #57	6,675,000	94.875%	6,332,906
School District #26	10,000,000	77.596%	7,759,600.00
School District #23	9,180,000	7.558%	693,824
School District #21	37,265,000	2.991%	1,114,596
School District #59	18,005,000	14.973%	2,695,889
Arlington Heights Park District	9,935,000	1.604%	159,357
Des Plaines Park District	4,020,000	1.658%	66,652
Mount Prospect Park District	12,275,000	64.128%	7,871,712
	<u>6,305,613,750</u>		<u>113,557,250</u>
	<u>\$ 6,385,814,835</u>		<u>\$ 193,758,335</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 2014 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 Reports on file with the Cook County Treasurer's Office.

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2015

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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

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) Population</b>	<b>(2) Equalized Assessed Value</b>	<b>Personal Income</b>	<b>(1) Per Capita Personal Income</b>	<b>(3) Unemployment Rate</b>
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	1,390,377,678	1,798,831,903	33,209	5.50%
2015	54,167	N/A	1,798,831,903	33,209	4.30%

Note: 2015 Equalized Assessed Valuation is unavailable until 2016.

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Office of the Cook County Clerk
- (3) IDES Local Area Unemployment Statistics



**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2015				2006			
Employer	Rank	Employees	% of Total Village Population	Employer	Rank	Employees	% of Total Village Population
CVS Caremark	1	1,445	2.67%	Caremark, Inc.	1	800	1.42%
Robert Bosch Tool Corporation	2	650	1.20%	Skil-Bosch Tool Corp.	2	576	1.02%
Cummins-Allison Corporation	3	391	0.72%	Metropolitan Life	3	445	0.79%
Village of Mount Prospect	4	307	0.57%	Cummins-Allison Corporation	4	435	0.77%
Rauland Borg	5	300	0.55%	Village of Mount Prospect	5	307	0.55%
Mount Prospect School District #57	5	300	0.55%	Mount Prospect School District #57	6	298	0.53%
Carson Pirie Scott	6	291	0.54%	General Electric Healthcare	7	250	0.44%
Jewel Food Stores	7	240	0.44%	Siemens Bldg. Technology	7	250	0.44%
Township High School #214	8	225	0.42%	Prospect High School	7	250	0.44%
Wal-Mart Stores, Inc.	9	200	0.37%	Jewel Food Stores	8	240	0.43%
Home Depot	10	189	0.35%	Home Depot	9	235	0.42%
				Advance Medical Systems	10	225	0.40%

Data Sources

Village Records

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>PUBLIC REPRESENTATION/COMMUNITY AND CIVIC SERVICES</b>				
Total	1.05	1.05	1.05	1.05
<b>GENERAL GOVERNMENT</b>				
Village administration				
Administration	15.45	16.45	16.95	16.95
Finance	15.00	15.00	15.00	15.00
Total	30.45	31.45	31.95	31.95
Community development				
Community development	20.90	22.90	23.40	23.15
Community development/CDBG	1.20	1.20	1.20	1.20
Total	22.10	24.10	24.60	24.35
Human services department	7.60	7.60	7.60	10.60
Total	7.60	7.60	7.60	10.60
<b>PUBLIC SAFETY AND PROTECTION</b>				
Police Department	110.50	111.50	111.50	111.50
Fire Department	83.90	84.20	84.20	82.20
Total	194.40	195.70	195.70	193.70
<b>PUBLIC WORKS DEPARTMENT</b>				
Administration	3.35	3.35	3.35	3.35
Streets/buildings/parking	14.60	14.80	14.60	14.80
Forestry	10.80	10.80	10.80	10.80
Engineering	8.30	8.30	8.30	8.30
Water/sewer	25.55	26.15	26.15	26.15
Refuse disposal	2.90	2.90	2.90	2.90
Parking	-	-	-	-
Vehicle maintenance	8.90	8.90	9.10	10.90
Total	74.40	75.20	75.20	77.20
<b>VILLAGE TOTAL</b>	<b>330.00</b>	<b>335.10</b>	<b>336.10</b>	<b>338.85</b>

Data Source

Village budget

2010	2011	2012	2013	2014	2015
1.05	2.10	2.10	2.10	2.05	2.15
1.05	2.10	2.10	2.10	2.05	2.15
14.95	14.95	15.45	15.45	15.45	16.85
13.00	13.00	13.00	13.00	13.00	13.00
27.95	27.95	28.45	28.45	28.45	29.85
20.48	20.48	17.75	18.50	18.50	18.50
1.25	1.25	1.25	1.00	1.00	1.00
21.73	21.73	19.00	19.50	19.50	19.50
9.50	9.50	9.50	9.50	9.50	9.50
9.50	9.50	9.50	9.50	9.50	9.50
97.83	97.83	99.50	100.50	100.50	99.50
74.75	74.75	74.50	74.50	74.50	75.00
172.58	172.58	174.00	175.00	175.00	174.50
2.85	2.85	2.85	2.85	2.85	2.85
11.35	11.85	11.85	12.45	12.40	12.40
10.70	9.75	9.75	9.25	9.35	9.25
8.00	8.00	8.00	8.00	8.00	8.00
26.50	25.00	25.00	24.75	24.75	24.75
2.90	2.90	2.90	2.90	2.90	2.90
-	0.90	0.90	0.90	0.90	0.90
10.90	10.90	10.90	10.75	10.75	10.75
73.20	72.15	72.15	71.85	71.90	71.80
306.01	306.01	305.20	306.40	306.40	307.30

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>FINANCE DEPARTMENT</b>				
Vehicle stickers issued	38,973	38,851	39,208	39,650
Utility bills	100,846	97,677	86,577	86,458
Real estate transfer tax stamps sold	1,624	1,249	947	986
<b>COMMUNITY DEVELOPMENT</b>				
Building Division				
Permits issued	2,866	2,801	2,687	2,415
Plan reviews	787	553	452	420
Building code inspections	9,590	8,438	7,631	8,564
Environmental Health Division				
Inspections				
Food service	400	392	340	394
Multi-family buildings	583	476	279	491
Swimming pools/spa	33	62	59	28
<b>PUBLIC SAFETY</b>				
Police				
Number of crimes	3,247	4,295	4,242	3,921
Number of service calls	25,443	26,694	25,631	23,600
Number of arrests	1,855	1,928	1,769	1,736
Moving violations	6,522	7,985	8,723	10,355
Parking citations	7,641	9,438	10,690	10,256
Fire				
Fire calls	1,647	2,273	2,019	1,817
EMS calls	3,679	3,518	3,487	3,535
Fire prevention inspections	4,388	3,652	3,264	4,258
Training hours	21,865	22,837	21,073	23,851
<b>PUBLIC WORKS</b>				
Streets				
Street reconstruction (miles)				
Streeting resurfacing (miles)	9.00	7.00	5.00	5.80
Crack filling (lbs.)	47,390	57,660	55,000	57,118
Leaves removed (cubic yards)	14,302	15,187	16,272	18,970
Water				
Water mains installed (lineal feet)	3,000	3,200	8,079	5,475
Water billed (1,000 gallons)	1,501,699	1,440,716	1,369,479	1,346,272
Sanitary sewers cleaned (ft)	70,000	70,000	30,000	55,150
Refuse (single/multi-family)				
Solid waste collected (tons)	32,188	32,928	32,101	30,231
Recycling (tons)	6,890	6,728	6,644	6,154

\* 2015 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

2010	2011	2012	2013	2014	2015*
40,018	39,834	43,092	43,490	43,803	41,960
86,057	86,701	90,147	152,312	152,519	152,586
1,086	1,022	1,282	1,451	1,409	1,433
2,922	2,821	2,278	2,383	2,400	2,400
505	515	595	524	500	525
8,783	8,508	9,154	7,824	9,500	10,000
400	394	405	393	345	400
664	664	565	568	575	600
-	-	-	-	-	-
3,696	3,359	3,178	2,809	2,670	2,378
22,028	19,943	19,184	19,206	19,300	18,500
1,898	1,845	1,602	1,509	1,410	1,175
10,139	7,026	5,979	6,152	5,800	4,827
11,317	9,363	7,640	7,314	8,000	6,771
1,888	2,350	1,892	1,967	1,996	1,734
3,465	3,590	3,885	3,912	4,200	4,200
3,790	3,418	3,308	3,144	3,400	3,000
24,313	23,578	21,340	21,149	21,257	28,200
5.00	4.70	5.20	7.50	18.90	9.90
46,846	40,871	51,885	49,153	50,100	51,135
15,424	14,843	12,569	14,577	13,000	14,000
5,475	-	-	-	-	-
1,296,556	1,287,525	1,341,268	1,284,779	1,301,528	1,204,478
55,150	54,236	58,922	65,000	70,000	120,000
31,963	32,264	31,385	29,494	31,598	31,598
6,117	6,644	6,028	5,692	6,777	5,607

**VILLAGE OF MOUNT PROSPECT, ILLINOIS**

**CAPITAL ASSET STATISTICS BY FUNCTION**

Last Ten Fiscal Years

<b>Function/Program</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>2015</b>
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	39	35	35	34	34	34	33	33	32	32
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	22	22	22	22	22	22	20	23	23	22
<b>PUBLIC WORKS</b>										
Residential streets (miles)	134	134	134	134	134	134	134	135	134	134
<b>WATER</b>										
Water mains (miles)	164	166	166	166	162	162	162	161	160	160
Fire hydrants	2,309	2,328	2,328	2,328	2,295	2,291	2,295	2,274	2,242	2,240
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	71	71	71	71	71	71
Storm sewers (miles)	123	123	124	124	128	128	128	135	135	108
Combined sewers (miles)	59	59	59	59	54	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 Applicable as of December 31, 2015	As Per Cent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
<b>Assessed Valuation of Taxable Real Property, 2014</b>	<b>\$ 1,423,608,366</b> <sup>(3)</sup>	<b>100.00%</b>	<b>33.33%</b>	<b>\$ 26,281.84</b>
<b>Estimated True Value of Taxable Real Property, 2014</b>	<b>4,270,825,098</b>	<b>300.00%</b>	<b>100.00%</b>	<b>78,845.52</b>
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 45,927,931	3.23%	1.08%	\$ 847.90
Self-Supporting Debt	34,273,154	2.41%	0.80%	632.73
Total Direct Bonded Debt	\$ 80,201,085	5.63%	1.88%	\$ 1,480.63
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 40,186,431	2.82%	0.94%	\$ 741.90
Other Than Schools	73,370,819	5.15%	1.72%	1,354.53
Total Overlapping Bonded Debt	\$ 113,557,250	7.98%	2.66%	\$ 2,096.43
Total Direct and Overlapping Bonded Debt	\$ 193,758,335	13.61%	4.54%	\$ 3,577.05
<b>Total Direct and Overlapping Bonded Debt Excl. Self-Supporting</b>	<b>\$ 159,485,181</b>	<b>11.20%</b>	<b>3.73%</b>	<b>\$ 2,944.32</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, 2015".
  3. The Village's 2014 equalized assessed valuation includes \$33,230,688 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, 2015)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments Property Taxes	Total Maturities Annual Amount	Cumul. Percent	Levy Year	Property Taxes
2016	2,645,000	2,645,000	5.8%	2015	4,345,176
2017	2,775,000	2,775,000	11.9%	2016	4,403,343
2018	2,975,000	2,975,000	18.4%	2017	4,511,028
2019	3,240,000	3,240,000	25.5%	2018	4,674,541
2020	4,975,000	4,975,000	36.4%	2019	5,437,818
2021	4,535,000	4,535,000	46.4%	2020	5,692,758
2022	3,865,000	3,865,000	54.8%	2021	5,774,460
2023	3,345,000	3,345,000	62.2%	2022	4,198,369
2024	2,185,000	2,185,000	67.0%	2023	2,918,869
2025	2,300,000	2,300,000	72.0%	2024	2,946,469
2026	2,425,000	2,425,000	77.3%	2025	2,976,169
2027	2,550,000	2,550,000	82.9%	2026	2,998,919
2028	2,685,000	2,685,000	88.8%	2027	3,024,981
2029	1,760,000	1,760,000	92.7%	2028	1,982,806
2030	790,000	790,000	94.4%	2029	924,906
2031	820,000	820,000	96.2%	2030	923,306
2032	850,000	850,000	98.1%	2031	920,506
2033	885,000	885,000	100.0%	2032	921,506
	\$45,605,000	\$45,605,000			

- 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 \$543,013 as of December 31, 2015. Debt service is being paid from the Village's ¼ cent home rule sales tax instituted effective September 1, 1991 for the purpose of funding the Village's flood control program.



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

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

- 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				Increase Over Prior Year
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)		
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%)	
2014	1,390,377,678	33,230,688	1,423,608,366	2.4%	

- 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, 2015**

SCHOOL DISTRICTS:	Percent of Village's 2014 Real Property in Taxing Body	Gross Bonded Debt	Village's Applicable Share of Gross Debt to be Paid From Property Taxes (1)	
			Percent	Amount
<b>Elementary Districts:</b>				
Mount Prospect No. 57	37.7%	6,675,000	94.875%	6,332,906
Community Consolidated No. 59	26.7%	18,005,000	14.973%	2,695,889
River Trails No. 26	26.4%	10,000,000	77.596%	7,759,600
Wheeling Community Consolidated No. 21	3.4%	37,265,000	2.991%	1,114,596
Arlington Heights No. 25	3.2%	-	2.685%	-
Prospect Heights No. 23	2.5%	9,180,000	7.558%	693,824
<b>High School Districts:</b>				
Wheeling/Elk Grove No. 214	99.8%	41,305,000	18.386%	7,594,337
Maine Township No. 207	0.2%	7,310,000	0.067%	4,898
<b>Community Colleges:</b>				
Oakton No. 535	0.2%	33,175,000	0.014%	4,645
Harper No. 512	99.8%	156,475,000	8.938%	13,985,736
<b>Total Schools</b>				<b>40,186,431</b>
<b>OTHER THAN SCHOOL DISTRICTS:</b>				
Cook County, Including Forest Preserve District	100.0%	3,636,346,750	1.087%	39,527,089
Metropolitan Water Reclamation District	100.0%	2,323,647,000	1.108%	25,746,009
<b>Park Districts:</b>				
Mount Prospect	66.8%	12,275,000	64.128%	7,871,712
River Trails	25.4%	-	82.717%	-
Arlington Heights	2.8%	9,935,000	1.604%	159,357
Des Plaines	1.8%	4,020,000	1.658%	66,652
Prospect Heights	3.3%	-	15.372%	-
<b>Total Other Than Schools</b>				<b>73,370,819</b>

Notes: 1. Village's share based upon 2014 Real Property valuations.

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

Village of Mount Prospect:	Levy Years				
	2010	2011	2012	2013	2014
<b>Bonds and Interest</b>	\$ 0.098	\$ 0.105	\$ 0.113	\$ 0.167	\$ 0.165
<b>Pensions (Police, Fire)</b>	0.257	0.278	0.316	0.393	0.387
<b>Corporate</b>	0.377	0.444	0.501	0.689	0.724
<b>Garbage</b>	0.097	0.109	0.121	0.026	-
<b>Total Village</b>	<b>\$ 0.829</b>	<b>\$ 0.936</b>	<b>\$ 1.051</b>	<b>\$ 1.275</b>	<b>\$ 1.276</b>
Cook County, Including Forest Preserve District	0.474	0.520	0.594	0.629	0.637
Metropolitan Water Reclamation District	0.274	0.320	0.370	0.417	0.430
Mount Prospect Park District	0.453	0.502	0.557	0.657	0.654
Mount Prospect Public Library	0.519	0.582	0.646	0.761	0.758
Special Service Area No. 5	0.105	0.114	0.122	0.140	0.138
Community Consolidated School District No. 59	2.129	2.422	2.673	3.172	3.176
Township High School District No. 214	1.839	2.067	2.324	2.768	2.776
Harper College No. 512	0.295	0.334	0.373	0.444	0.451
All Other	0.080	0.116	0.103	0.155	0.124
<b>Total (2)</b>	<b>\$ 6.997</b>	<b>\$ 7.913</b>	<b>\$ 8.813</b>	<b>\$ 10.418</b>	<b>\$ 10.420</b>
Village as a Percent of Total	11.8%	11.8%	11.9%	12.2%	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 Year	Collection Year	Total Taxes Extended	Total Taxes Collected as of December 31, 2015 (Note 1)	
			Amount	Percent (2)
2010	2011	15,194,635	14,961,411	98.47%
2011	2012	15,852,352	15,614,490	98.50%
2012	2013	16,477,871	16,278,228	98.79%
2013	2014	17,301,436	17,064,355	98.63%
2014	2015	17,741,219	17,521,845	98.76%

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

**TEN LARGEST TAXPAYERS**

Rank	Taxpayer	Business/Properties	Equalized Assessed Valuation (1)	Percent of Village (2)
1	Randhurst Improvements, L.L.C.	Shopping Center	\$ 21,621,707	1.56%
2	Ramco-Gershenson Properties, L.P.	Shopping Center	21,063,705	1.51%
3	Home Properties Colony	Colony Square Apartments	15,776,353	1.13%
4	Golf Plaza I & II	Shopping Center	13,805,868	0.99%
5	United Airlines, Inc.	Corporate Offices	11,320,095	0.81%
6	Crp-3 Acquisitions, L.L.C.	Real Estate	10,134,949	0.73%
7	First Industrial Realty	Real Estate	7,854,178	0.56%
8	LIT Industrial Limited	Real Estate	7,308,985	0.53%
9	Costco Properties	Warehouse Store	7,286,163	0.52%
10	Cummins-Allison Corp.	Manufacturing	6,949,469	0.50%
			\$ 123,121,472	8.86%

- Notes:
1. Valuations as of January 1, 2014 for 2015 tax purposes.
  2. Total 2014 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,390,377,678.

## 2008 AND 2014 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION\*

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2008	2014	% Increase	2008	2014
Residential	1,343,275,031	989,619,882	-26.33%	67.86%	71.18%
Commercial	414,537,434	285,736,126	-31.07%	20.94%	20.55%
Industrial	221,110,772	114,184,895	-48.36%	11.17%	8.21%
Railroad	572,793	836,775	46.09%	0.03%	0.06%
Total	1,979,496,030	1,390,377,678	-29.76%	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 2015 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				2015	
	2011	2012	2013	2014	Budget	Actual
<b>Revenues:</b>						
Property Taxes	11,596,829	12,099,210	12,645,791	14,392,732	15,330,000	15,317,183
Sales Taxes	11,809,779	12,252,909	13,627,166	14,640,814	15,346,000	16,370,735
State Income Taxes	4,328,196	4,759,513	5,161,051	5,186,155	5,200,000	5,763,542
Licenses, Permits & Fees	3,356,816	3,657,586	3,589,368	2,496,760	2,362,500	2,428,969
Utility Taxes	4,624,678	4,658,265	4,658,265	4,093,598	3,940,000	3,774,729
Charges for Service	1,694,638	1,741,906	1,858,829	1,928,223	2,013,923	1,699,217
Fines & Forfeits	548,993	403,036	430,960	470,466	478,000	511,536
Investment Income	23,067	29,927	6,561	(64,978)	5,918	8,612
Food & Beverage Tax	867,630	710,328	719,190	738,642	755,000	759,073
Real Estate Transfer Tax	363,194	515,330	853,617	954,644	1,350,000	1,371,699
All Other Revenues	1,959,168	1,789,713	1,445,740	2,450,829	2,021,470	2,315,618
Total Revenues	\$ 41,172,988	\$ 42,617,723	\$ 44,996,538	\$ 47,287,885	\$ 48,802,811	\$ 50,320,913
<b>Expenditures:</b>						
General Government						
Public Representation Division	108,809	110,257	114,948	142,574	126,334	137,716
Village Manager's Office	2,939,764	3,106,851	3,185,452	3,166,149	3,816,312	3,529,065
Finance Department	1,561,758	1,505,295	1,843,581	2,007,010	1,991,728	1,945,587
Community Development - Administration	628,017	644,281	661,459	673,549	768,923	662,596
Benefit Payments	45,861	46,004	46,150	46,300	46,456	46,455
Total General Government	\$ 5,284,209	\$ 5,412,688	\$ 5,851,590	\$ 6,035,582	\$ 6,749,753	\$ 6,321,419
Public Safety:						
Code Enforcement	837,639	739,004	711,081	880,723	889,875	812,292
Police Department	14,657,035	15,286,394	15,783,921	16,578,937	16,637,444	16,277,671
Fire & Emergency Protection Department	11,448,614	11,946,079	12,678,986	13,166,937	13,234,459	13,171,002
Total Public Safety	\$ 26,943,288	\$ 27,971,477	\$ 29,173,988	\$ 30,626,597	\$ 30,761,778	\$ 30,260,965
Highways & Streets	6,587,426	6,307,158	7,342,643	7,500,480	7,784,156	6,935,457
Health	137,445	143,295	142,062	151,586	158,827	148,731
Welfare	1,487,707	1,624,282	1,569,824	1,585,083	1,675,169	1,529,810
Culture & Recreation	346,032	399,366	435,931	421,517	510,600	467,611
Net Transfers (In)/Out	-	-	166,247	-	81,599	281,599
Total Expenditures	\$ 40,786,107	\$ 41,858,266	\$ 44,682,285	\$ 46,320,845	\$ 47,721,882	\$ 45,945,592
Revenues Over (Under) Expenditures	\$ 386,881	\$ 759,457	\$ 314,253	\$ 967,040	\$ 1,080,929	\$ 4,375,321
Ending Fund Balance	\$ 10,804,872	\$ 11,564,329	\$ 11,878,582	\$ 12,845,622	\$ 13,926,551	\$ 17,220,943

## Balance Sheet – December 31

Assets:	2011	2012	2013	2014	2015
Cash & Investments	\$ 5,512,091	\$ 7,352,604	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774
Receivables					
Property Taxes	12,125,463	12,657,923	14,543,097	15,160,497	15,733,573
Other Taxes	5,707,230	5,290,786	5,711,586	5,747,674	6,344,148
All Other	461,664	448,569	492,912	468,180	471,824
Due From Other Funds	568,815	91,318	212,603	154,882	473,348
Due From Other Governments	94,142	274,942	53,602	136,834	159,403
All Other Assets	100,590	98,150	297,762	337,165	204,023
Total Assets	\$ 24,569,995	\$ 26,214,292	\$ 28,198,218	\$ 28,884,484	\$ 34,396,093
 Liabilities & Fund Balance					
Accounts Payable	\$ 530,670	\$ 621,570	\$ 334,043	\$ 216,535	\$ 578,648
Deferred Revenues					
Property Taxes	11,991,724	12,554,622	14,396,036	15,138,046	15,691,708
All Other Liabilities	1,242,729	1,473,771	1,589,557	684,281	904,794
Fund Balance:					
Nonspendable	100,590	98,150	297,762	337,165	204,023
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	10,704,282	11,466,179	11,580,820	12,508,457	17,016,920
Total Fund Balance	\$ 10,804,872	\$ 11,564,329	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943
Total Liabilities & Fund Balance	\$ 24,569,995	\$ 26,214,292	\$ 28,198,218	\$ 28,884,484	\$ 34,396,093

- Notes: 1. This condensed financial information for the years ending December 31, 2011-2015 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 2011-2014 and Summary 2015 Revenues, Excess Revenues and Fund Balance  
(Fiscal Years Ended December 31)**

	Fiscal Year Ended December 31, 2015							
	2011	2012	2013	2014	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance
					Property Tax	Total		
<b>Governmental Fund Types (2):</b>								
General Fund *	\$ 10,804,872	\$ 11,564,329	\$ 11,878,582	\$ 12,845,622	\$ 15,317,183	\$ 50,320,913	\$ 4,375,321	\$ 17,220,943
Special Revenue Funds:								
Motor Fuel Tax	\$ 336,394	\$ 509,470	\$ 338,861	\$ 1,397,365	\$ -	\$ 1,338,976	\$ 530,311	\$ 1,927,676
Community Development Block Grant	-	-	-	-	-	431,706	-	-
Refuse Disposal *	2,146,149	2,355,748	2,445,117	1,652,809	-	3,978,818	(461,608)	1,191,201
Asset Seizure	54,000	40,479	42,659	83,675	-	18,024	8,980	92,655
DEA shared Funds	4,909	4,919	11,514	19,938	-	13	13	19,951
DUI Fines	44,132	55,431	65,287	101,080	-	36,128	23,655	124,735
Foreign Fire Tax Fund	171,030	227,346	273,346	287,977	-	82,540	14,752	302,729
Justice Assistant Grant Fund	10,203	835	-	-	-	-	-	-
Business District Fund	77,195	434,120	83	-	-	1,195,631	-	-
Total Special Revenue	2,844,012	3,628,348	3,176,867	3,542,844	\$ -	\$ 7,081,836	116,103	3,658,947
Debt Service *	131,372	135,817	121,491	131,635	2,254,000	4,871,073	22,571	154,206
Capital Projects (3)	3,559,985	7,530,930	15,705,506	17,785,571	2,313,803	7,951,473	(13,047,035)	4,738,536
Total Governmental	\$ 17,340,241	\$ 22,859,424	\$ 30,882,446	\$ 34,305,672	\$ 19,884,986	\$ 70,225,295	\$ (8,533,040)	\$ 25,772,632
<b>Proprietary &amp; Fiduciary Fund Types</b>								
Enterprise Funds (4):								
Water and Sewer *	31,708,474	33,055,996	34,086,453	34,240,404	\$ 1,519,375	\$ 12,434,405	\$ 7,033,306	41,273,710
Village Parking System	351,986	331,280	323,832	349,414	-	563,443	293,824	643,238
Internal Service Funds (5)	13,484,444	13,420,662	14,587,299	15,797,609	-	11,712,385	1,739,922	17,537,531
Pension Trust Funds:								
Police Pension	44,777,147	48,922,651	55,375,975	58,819,925	-	4,260,024	(319,885)	58,500,040
Firefighter's Pension	43,864,977	47,233,555	53,716,416	56,568,339	-	4,945,375	288,363	56,856,702
Total Proprietary & Fiduciary	\$ 134,059,623	\$ 142,964,144	\$ 158,089,975	\$ 165,775,691	\$ 1,519,375	\$ 33,915,632	\$ 9,035,530	\$ 174,811,221
Total All Funds (Memo Only)	\$ 151,399,864	\$ 165,823,568	\$ 188,972,421	\$ 200,081,363	\$ 21,404,361	\$ 104,140,927	\$ 502,490	\$ 200,583,853

\* Designated as major funds.

<b>Cash &amp; Investments at 12/31 (6):</b>	2011	2012	2013	2014	2015
General Fund	\$ 5,512,091	\$ 7,352,604	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774
Internal Service Funds	10,014,605	9,567,402	10,830,350	10,476,211	11,551,998
Refuse Disposal	1,969,567	2,022,049	2,231,180	1,365,133	844,053
Other Special Revenue Funds	592,878	1,179,343	1,575,858	2,716,735	3,541,745
Debt Service Funds	-	20,636	113,267	130,210	138,721
Subtotal	\$ 18,089,141	\$ 20,142,034	\$ 21,637,311	\$ 21,567,541	\$ 27,086,291
Capital Project Funds	3,221,653	6,657,075	15,487,737	16,290,597	5,442,661
Water & Sewer	2,709,629	4,356,739	5,382,441	4,697,147	3,185,314
Other Enterprise Funds	330,277	345,528	316,808	300,258	488,612
Pension Trust Funds	88,669,220	95,892,376	108,760,597	115,091,487	115,116,154
Other Fiduciary Funds	1,189,052	1,443,227	1,511,610	1,209,488	1,136,998
Total	\$ 114,208,972	\$ 128,836,979	\$ 153,096,504	\$ 159,156,518	\$ 152,456,030

Notes: 1. This condensed financial information for the years ending December 31, 2011-2015 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, 2015 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, 2011-2014. The "Independent Auditor's Report" included in the latest audit states, in part:

***"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America."***

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

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

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,291,446	Land	\$ 17,551,172
Construction in Progress	\$ 1,201,514	Construction in Progress	\$ 11,298,816
Total Assets Not Being Depreciated	\$ 11,492,960	Total Assets Not Being Depreciated	\$ 28,849,988
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 38,009,332	Buildings and Improvements	\$ 4,875,816
Improvements Other Than Buildings	436,273	Equipment	4,062,242
Infrastructure and All Other	99,079,759	Infrastructure	18,174,213
Total Capital Assets Being Depreciated	\$ 137,525,364	Total Capital Assets Being Depreciated	\$ 27,112,271
Less Accumulated Depreciation	\$ 82,852,474	Less Accumulated Depreciation	\$ 19,625,359
Total Capital Assets Being Depreciated, Net	\$ 54,672,890	Total Capital Assets Being Depreciated, Net	\$ 7,486,912
Net Assets	\$ 66,165,850	Net Assets	\$ 36,336,900

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.