

2016

VILLAGE OF
MOUNT PROSPECT, ILLINOIS



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2016

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, 2016

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

Nellie S. Beckner, Assistant to the Village Manager

David O. Erb, Finance Director/Treasurer

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

Julie K. Kane, Director of Human Services

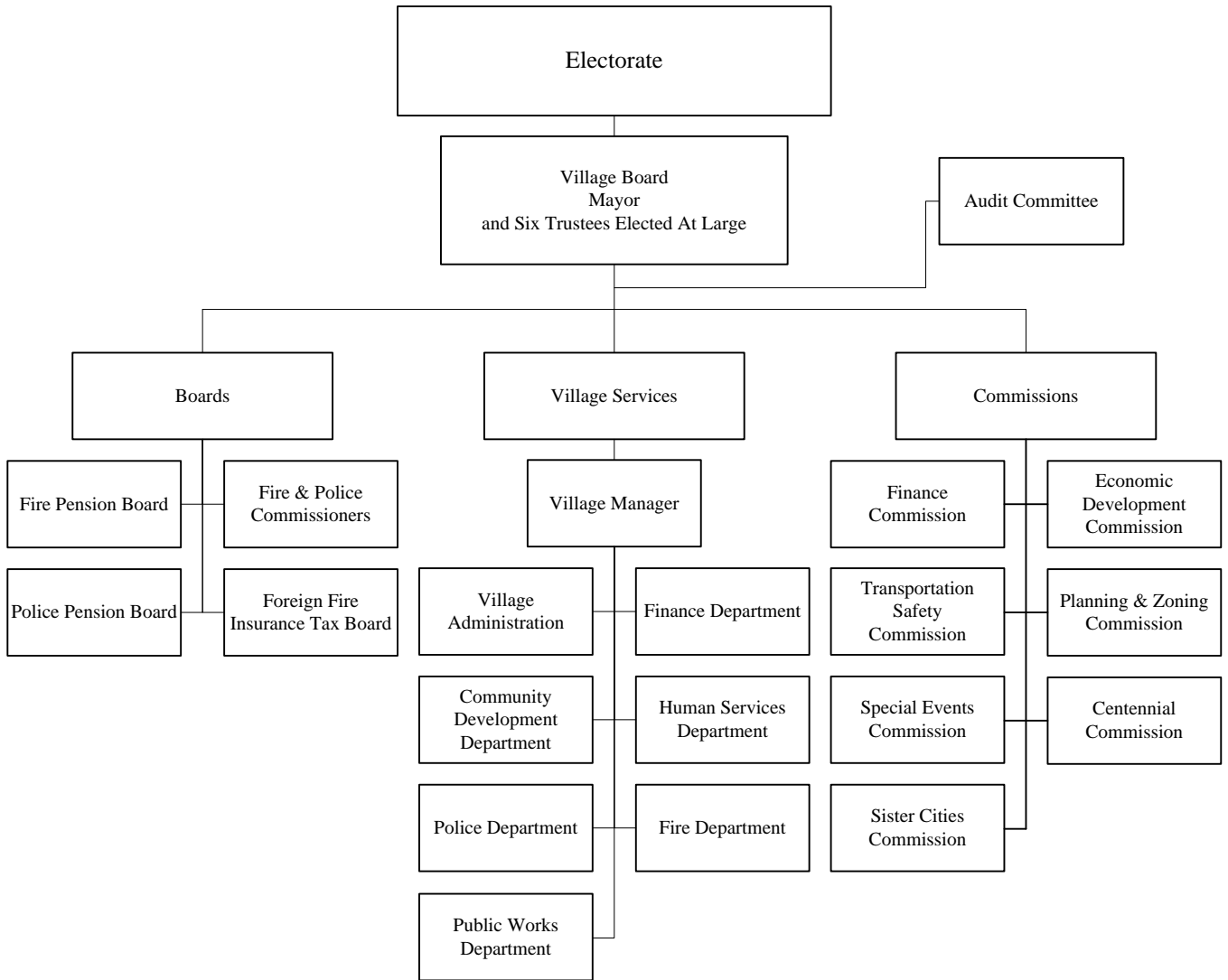
Brian Lambel, Fire Chief

Timothy Janowick, Police Chief

Sean P. Dorsey, Director of Public Works

Karen Agoranos, Deputy Village Clerk

VILLAGE OF MOUNT PROSPECT ORGANIZATIONAL STRUCTURE



MAYOR

Arlene A. Juracek

TRUSTEES

William A. Grossi

Eleni Hatzis

Paul Wm. Hoefert

Richard F. Rogers

Colleen E. Saccotelli

Michael A. Zadel



VILLAGE MANAGER

Michael J. Cassidy

VILLAGE CLERK

Karen Agoranos

Phone: 847/392-6000

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Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 21, 2017

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

The Comprehensive Annual Financial Report of the Village of Mount Prospect, Illinois for the fiscal year ended December 31, 2016 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, 2016, 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, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Mount Prospect

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

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

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Finance Director by mid-July each year. Revenue estimates are completed by the Finance Department in preparation for departmental budget reviews with the Village Manager and Finance Director in early August. Initial budget requests are compiled by the end of 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 and major special revenue funds, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report.

Major Initiatives

The Village staff, following directives of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect initiatives found in the Village's Strategic Plan 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

- Worked with the Regional Transportation Authority (RTA) and Teska Associates to complete the Rand Road Corridor Plan. The plan reassessed the corridor to address three main goals related to all forms of transportation.
- Continued to work with the Mount Prospect Chamber of Commerce, Mount Prospect Public Library, and the Mount Prospect Downtown Merchants Association on the Mount Prospect Entrepreneur's Initiative. Efforts included a quarterly Spotlight on Success film series, an E-newsletter specifically for entrepreneurs, and a Business Event Calendar.
- Welcomed the following new businesses:
 - Sam's Beauty Supply, Northland Laboratories and Mount Prospect Ice Arena as new tenants in the KBC.
 - National Technical Systems as a new tenant at 1660 Wall Street, which underwent significant investment at their facility.
 - Public storage facility in the former Hinz Lithograph building at 1750 W. Central Road, which underwent significant improvements including interior remodeling and a 3rd floor building addition.
 - Issued permits to several new restaurant tenants in Randhurst Village including Smokey Bones, Truco Taqueria and Outback Steakhouse.
 - Actively worked with developers to redevelop the site formerly occupied by McDonald's Restaurant into a two-unit commercial building anchored by Potbelly's Restaurant.
 - Approved conditional use permits for Starbuck's and Andy's Custard to develop drive-through restaurants along Rand Road.
- Initiated the process to disband an existing Tax Increment Financing (TIF) District and create a new TIF District that would expand the benefitting area to the south, east and west of the existing District.
- Completed site demolition and environmental abatement of the Central Plaza shopping center located at the northwest corner of Central Road and Main Street. Proceeded with final steps in court to recover demolition costs by foreclosing on the property. A Request for Proposals was initiated to solicit development proposals for the property.
- Completed annexations of certain property along the Illinois Tollway Authority (I-90), Lynn Court, Addison Court, and portions of Dempster Street, Algonquin Road, Malmo Drive, and Nordic Road on the south side of the Village. Continued open dialogue with United Airlines regarding the annexation and redevelopment of their former office headquarters along Algonquin Road.

HUMAN SERVICES DEPARTMENT

- The Human Services Department continued to focus on staff development for all department members in 2016. Department staff attended trainings related to individual job responsibilities. Trainings included American Red Cross Shelter Basic's, Trauma Informed Care, Dementia Live, Social Security Benefits, Clinical and Legal Consideration in Mental Health Practice, Elder Law, Customer Service training and management training for Department administrators.
- The Department launched a Facebook page in August of 2016 and has used its social media presence to disseminate information about department programs and resources. The Department also utilizes social media as a means to promote health and wellness within the community.
- The Emergency Assistance program provided assistance to Mount Prospect residents in need throughout the year. The food pantry served an average of 45 households per month as well as providing holiday meal baskets for both Thanksgiving and Christmas to 125 families. School age children of families who accessed the emergency assistance program during the year were also provided with back packs and school supplies in August. The Department serves as a service extension unit for the Salvation Army and provided emergency financial assistance to residents in need for rent, utilities, medication and emergency lodging.
- A new service, Senior Assessment, was offered to homebound seniors who are finding it difficult to remain in their homes due to a variety of circumstances: decreased mobility, medication management problems, difficulties in monitoring chronic illnesses like diabetes or hypertension, transportation issues, meal preparation or family members living far away. Interested residents received a free private assessment in their home by a social worker and nurse to receive resources to improve their situation.

POLICE DEPARTMENT

- The Department continued meeting its mission of providing quality law enforcement services to our citizens with pride, integrity, and professionalism. They were successful in reducing Part II crimes (simple assaults, fraud, forgery, prostitution, narcotics, etc.) by 2% compared to 2015 Part II crimes.
- The Department continued to engage the community with its signature events including the Citizen's Police Academy, "Kickin' it with the Cops," National Night Out, as well as by hosting a community pool party. The Police Department also continued its community outreach initiatives through its participation in the Special Olympics annual "Cop on Top" and Torch Run events.
- An extensive policy review was conducted to ensure the department's policies meet contemporary needs and standards as part of the Illinois Law Enforcement Accreditation Program (ILEAP). Process improvements were implemented by utilizing an electronic reporting system and a SharePoint program to more efficiently manage workflows within the agency.
- The Crime Prevention Unit further expanded the Department's presence on social media, actively disseminating pertinent information on Facebook, Twitter, and YouTube through a series of public service messages. The department reached its goal of having 1,500 Twitter followers and 2,000 Facebook likes in 2016. (*Actual 1,569 Twitter followers and 2,708 Facebook likes as of 07-01-2016*).
- The department recruited and hired two (2) new full-time Community Service Officers and two (2) new part-time Community Service Officers as authorized by the Village Board.

FIRE DEPARTMENT

- Six firefighters were sworn in to start the year after being hired with funds awarded from the SAFER Grant. Later in March, the Fire Chief and Deputy Chief were sworn in along with four new Lieutenants. With these hiring's staffing has returned to pre-recession levels. In 2011 there was a reduction of 6 firefighters, casualties of budget reductions.
- Automatic Aid Agreement with Prospect Heights was reinstated and we signed our first agreement with Village of Elk Grove. These agreements filled two voids that existed with neighboring communities. We now have Automatic Aid with all communities that border the Village of Mount Prospect.
- The department also reinstated their membership with NIPSTA (Northeastern Illinois Public Safety Training Academy). This membership has given us access to numerous certified classes and hands-on training. To date, firefighters have completed over 64 certified classes to enhance their skills. IN addition, Funding was provided to train Company Officers to the Fire Officer II state certification or the Advanced Company Officer state certification. Also, 45 department paramedics were trained and certified to the Advanced Cardiac Life Support certification.
- The department began developing an Active Shooter protocol in 2015. We are pleased to say that the ballistic gear has been purchased and plans to roll out the program in the first quarter of 2017 are underway.

PUBLIC WORKS DEPARTMENT

- The Village's Street Improvement Program completed resurfacing of 6.8 miles of local streets during 2016. 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. In addition, staff completed extensive sidewalk improvement programs including installation of new sidewalks on Gregory Street and Rand Road along with sidewalk replacements facilitated by the Cost Share and Community Development Block Grant sidewalk improvement programs. A Corridor Street Lighting Improvement Program was also initiated along Central Road between Emerson Street and Mount Prospect Road. This work eliminated a gap in lighting along Central Road providing a safe environment for pedestrians and vehicles. Several engineering studies were also initiated in to improve the flow of vehicular and pedestrian traffic including a Downtown Transportation Study, a Rand Road/Central Road/Mount Prospect Road Phase 1 Study, and a Central Road Pedestrian Crossing Study.
- 2016 saw significant activity of the village's Urban Forest. The department received Growth Award for the 16th time and was recognized as a Tree City USA community for the 32nd consecutive time. Staff completed scheduled tree trimming of approximately 4,000 trees maintaining the Village's five (5) year tree trimming cycle. Over 600 unhealthy trees removed in a timely manner avoiding costly private property damage from falling branches. The department also planted 700 new trees of varying species to maintain a diversified urban forest.
- The Village completed installation of relief storm sewers on Park Drive to alleviate a stormwater conveyance bottleneck that contributed to persistent street flooding. Staff also increased the capacity of existing sewers on Wheeling Road and Beachwood Drive.

- Work performed on the village's Water and Sewer System included rehabilitation of the 1 million gallon welded steel ground-level finished water storage reservoir adjacent to Booster Pumping Station 11. Staff also completed the replacement of water main on Elm Street between Central Road and Thayer Street. This work included upsizing of water main utilizing an innovative directional drilling technique in lieu of conventional open cut excavation. The department also completed the second phase of approximately \$15 million worth of improvements identified in the 2015 Combined Sewer System Evaluation study which included lining and rehabilitation of over 11,000 lineal feet of combined sewer pipe; the department's largest single lining project to date. The department also replaced the 40+ year old Louis Street sewer pumping station.
- Crews also cleaned over 4,000 miles of Village streets, repaired over 5,000 lineal feet of sidewalk defects, and inspected over 70,000 lineal feet of storm sewer mains. Working in conjunction with Metra and the Union Pacific Railroad, work was also completed on an extensive renovation of the commuter rail station. In addition, new covered bike rack facilities were installed adjacent to the train station to improve intermodal transportation options for commuters.
- Staff also successfully negotiated a new ten (10) year solid waste contract that provides a cost reduction for basic services (garbage and recycling) and introduced new services such as "no sticker" unlimited yard waste collection.

All Departments continue to perform extremely well in delivering high quality services to our residents and business community. Initiatives included in the Village's strategic plan have provided a focus for these services. An emphasis during 2016 was the gathering of our cable television, web site, newsletter, local newspaper press releases, and social media under a single Division to enable the Village to present a more comprehensive and unified message to its constituents. The Village's Annual Budget and Audit Documents were again recognized for their clarity and usability and Mount Prospect was recognized as Tree City U.S.A. for the 32nd 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 steady, albeit measured, growth in economy during 2016. 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, 2016 were \$16,344,573 compared to \$15,126,650 for the previous year, an increase of 8.1%. The increase from the prior year is due to strong growth in the drug and miscellaneous retail and drinking/eating 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 \$1.6 billion for 2016. The Village projects that this revenue source will increase 5.0% during 2017 and 2018. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will grow in the coming years.

Mount Prospect's average unemployment during 2016 was 4.6%. This was an increase from the prior year of 30 basis points (4.3% in 2015). The average unemployment rate for the State of Illinois for 2016 was unchanged from the prior year coming in at 5.9%. During the 12 months of 2016, the rate had been as high as 6.7% and as low as 5.2%. Seasonal fluctuations accounted for the 150 basis point range in rates. The rate for U.S. decreased 40 basis points from 5.3% to 4.9%. 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 2016. During the 2016 workshop, financial status reports were provided for end-of-year results for 2015, updated projections for 2016 and a revised forecast for 2017.

Two additional tools have been developed in managing the long-range finances of the Village. The first is a Five-Year Community Investment Program that outlines the major capital expenditure/project initiatives of the Village over the next five years and identifies funding sources. Over the next five years (2017-2021), the Village has identified \$75.3 million in water and sewer, flood control, street, public building, equipment and other miscellaneous capital projects. The second is the Village Strategic Plan for 2020 completed in early 2015. The strategic plan provides the mission, vision, and goals for vision attainment along with the strategic action plan of the organization. An implementation guide was developed in October 2015 using the goals identified in the Strategic Plan for 2020. This implementation guide provides the objectives, short-term challenges and opportunities, and action items to be taken for accomplishing the goals of the Village. Action items were prioritized as top, medium or moderate priority by the Village Board and fall into three categories; Policy Agenda, Management in Progress, and Major Projects. The implementation guide will be updated annually reflecting work completed and changing priorities. Funding of initiatives identified in the strategic plan will receive a higher priority during the budget process.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Mount Prospect for its comprehensive annual financial report for the year ended December 31, 2015. 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, 2016 and ending December 31, 2016. 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 2017 Budget document.

Acknowledgements

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

Respectfully submitted,



David O. Erb
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Mount Prospect
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois (the Village) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2016, 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 14, the Village adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, which established standards for recognizing employer pension contributions made after the measurement date of the net pension liability, due to a change in the recognition of the net pension liability. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 21, 2017

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Fiscal Year Ended December 31, 2016

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

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

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 4-7) are designed to be corporate-like in that all of the governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") found on pages 4-5 is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 6-7) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including police, fire, public works, and administration. Property taxes, sales and income taxes and local utility taxes finance the majority of these services. The business-type activities reflect private sector type operations (water, sewer, and parking operations), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

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

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

(See independent auditor's report.)

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

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

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

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – i.e. roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village of Mount Prospect has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position for the primary government decreased from a negative \$8.6 million to a negative \$12.8 million. The net decrease of \$4.2 million is attributable to a decrease of \$3.5 million in Governmental Activities and a decrease of \$0.7 in Business-Type Activities.

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

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(See independent auditor's report.)

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

Table 1
Statement of Net Position
as of December 31, 2016 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 73.7	\$ 73.4	\$ 7.8	\$ 7.5	\$ 81.5	\$ 80.9
Capital assets	<u>64.3</u>	<u>66.2</u>	<u>36.6</u>	<u>36.3</u>	<u>100.9</u>	<u>102.5</u>
Total assets	\$ 138.0	\$ 139.6	\$ 44.4	\$ 43.8	\$ 182.4	\$ 183.4
Deferred outflows of resources	<u>19.3</u>	<u>19.8</u>	<u>1.3</u>	<u>1.1</u>	<u>20.6</u>	<u>20.9</u>
Total assets/deferred outflows	<u>\$ 157.3</u>	<u>\$ 159.4</u>	<u>\$ 45.7</u>	<u>\$ 44.9</u>	<u>\$ 203.0</u>	<u>\$ 204.3</u>
Current liabilities	\$ 5.2	\$ 5.6	\$ 2.4	\$ 1.0	\$ 7.6	\$ 6.6
Noncurrent liabilities	<u>181.6</u>	<u>185.8</u>	<u>2.0</u>	<u>1.9</u>	<u>183.6</u>	<u>187.7</u>
Total liabilities	\$ 186.8	\$ 191.4	\$ 4.4	\$ 2.9	\$ 191.2	\$ 194.3
Deferred inflows of resources	<u>24.5</u>	<u>18.5</u>	<u>0.1</u>	<u>0.1</u>	<u>24.6</u>	<u>18.6</u>
Total liabilities/deferred inflows	<u>\$ 211.3</u>	<u>\$ 209.9</u>	<u>\$ 4.5</u>	<u>\$ 3.0</u>	<u>\$ 215.8</u>	<u>\$ 212.9</u>
Net Position						
Net investment in capital assets	\$ 43.0	\$ 43.7	\$ 36.6	\$ 36.3	\$ 79.6	\$ 80.0
Restricted net position	4.6	5.2	-	-	4.6	5.2
Unrestricted net position	<u>(101.6)</u>	<u>(99.4)</u>	<u>4.6</u>	<u>5.6</u>	<u>(97.0)</u>	<u>(93.8)</u>
Total net position	<u>\$ (54.0)</u>	<u>\$ (50.5)</u>	<u>\$ 41.2</u>	<u>\$ 41.9</u>	<u>\$ (12.8)</u>	<u>\$ (8.6)</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.

(See independent auditor's report.)

Current Year Impacts

Governmental activities net position decreased \$3.5 million while the business-type activities net position decreased by \$0.7 million. The governmental activities total assets decreased by \$2.1 million and the governmental activities total liabilities/deferred inflows increased by \$1.4 million. The total assets decrease of \$2.1 million in governmental activities was the result of a decrease of \$0.2 million in current and other assets and a decrease of \$1.9 million in capital assets. The \$0.2 million decrease in current assets was due to a decrease in due from other governments of \$1.4 million, a decrease in deferred outflows of resources of \$0.4 million, an increase in cash and investments of \$0.9 million, and an increase in other assets of \$0.7 million. Changes in net pension obligation and unamortized loss on refunding accounted for the \$1.2 decrease in deferred outflow of resources. Surplus from operations in the General Fund accounted for the increase in cash and investments. Amounts due from the Mount Prospect Public Library related to their outstanding debt accounted for decrease in due from other governments. The decrease in total net position of \$0.7 million in business-type activities was due to an increase in current assets of \$0.5 million, an increase in capital assets of \$0.3 million, and a net increase in current and noncurrent liabilities of \$1.5 million.

The increase in total liabilities of \$1.4 million for the governmental activities was due to a decrease in non-current liabilities of \$4.2 million and an increase in current liabilities of \$5.6 million. The increase in current liabilities was made up of an increase in the deferred inflows of resources for police and fire pensions. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities increased from \$3.0 million to \$4.5 million. This increase was due to an increase in accounts payable of \$1.5 million.

Changes in Net Position

The Village's combined change in net position for the primary government in 2016 was a decrease of \$7.3 million versus a decrease of \$7.6 million in 2015. Activities for the governmental activities saw a decrease in net position of \$6.0 million from 2015, while activities for the business-type funds saw a decrease in net position of \$1.3 million from 2015. 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, 2016 (in millions)

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program revenues						
Charges for service	\$ 11.4	\$ 10.8	\$ 13.3	\$ 12.7	\$ 24.7	\$ 23.5
Operating grants	2.6	1.9	-	-	2.6	1.9
Capital grants/contrib.	-	-	0.2	8.9	0.2	8.9
General revenues						
Property taxes	20.5	19.9	1.5	1.5	22.0	21.4
Business district taxes	0.3	0.3	-	-	0.3	0.3
Sales/Use taxes	23.2	21.7	0.1	0.1	23.3	21.8
Income taxes	5.3	5.8	-	-	5.3	5.8
Utility taxes	3.6	3.8	-	-	3.6	3.8
Other taxes	4.4	4.7	-	-	4.4	4.7
Investment income	0.1	0.1	-	-	0.1	0.1
Contributions	-	-	-	-	-	-
Other	-	(0.1)	0.1	0.3	0.1	0.2
Total revenue	\$ 71.4	\$ 68.9	\$ 15.2	\$ 23.5	\$ 86.6	\$ 92.4
Expenses						
General government	\$ 9.9	\$ 11.5	\$ -	\$ -	\$ 9.9	\$ 11.5
Public safety	38.3	38.5	-	-	38.3	38.5
Highways and streets	20.0	26.7	-	-	20.0	26.7
Health	4.6	4.5	-	-	4.6	4.5
Welfare	2.1	1.8	-	-	2.1	1.8
Culture and recreation	0.5	0.5	-	-	0.5	0.5
Interest	2.0	2.1	-	-	2.0	2.1
Water and sewer	-	-	16.1	14.1	16.1	14.1
Parking	-	-	0.4	0.3	0.4	0.3
Total expenses	\$ 77.4	\$ 85.6	\$ 16.5	\$ 14.4	\$ 93.9	\$ 100.0
Change in net position	\$ (6.0)	\$ (16.7)	\$ (1.3)	\$ 9.1	\$ (7.3)	\$ (7.6)
Net Position, January 1	\$ (50.5)	\$ 40.1	\$ 41.9	\$ 34.6	\$ (8.6)	\$ 74.7
Change in accounting principal	2.5	-	0.6	-	3.1	-
Prior Period Adjustment	-	(73.9)	-	(1.8)	-	(75.7)
Net Position (Deficit), January 1, Restated	\$ (48.0)	\$ (33.8)	\$ 42.5	\$ 32.8	\$ (5.5)	\$ (1.0)
Net Position (Deficit), December 31	\$ (54.0)	\$ (50.5)	\$ 41.2	\$ 41.9	\$ (12.8)	\$ (8.6)

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

(See independent auditor's report.)

Normal Impacts

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

Revenues:

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

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

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) - Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market impacts on investment income - The Village's investment portfolio is managed using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer-term options.

Expenses:

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

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

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

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

CURRENT YEAR IMPACTS

Governmental Activities

Revenue:

Total revenues for the Village's Governmental Activities for 2016 were \$71.4 million.

Sales/Use taxes are the largest revenue source for governmental activities accounting for \$23.2 million or an increase of \$1.5 million from the prior year. The increase was due primarily to the steadily improving local economy and additional new retail coming on line. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. Property taxes are the second highest revenue source with \$20.5 million in revenue. This revenue has historically been the most stable source for the Village. This was an increase of \$0.6 million from the prior year. There was an increase of \$0.6 million in charges for service. Other taxes and revenues decreased a collective \$0.2 million from the prior year.

(See independent auditor's report.)

Governmental Activities (cont.)

Expenses:

Total expenses for the Village's Governmental Activities for 2016 were \$77.4 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2016 were \$38.3 million, a decrease of \$0.2 million from 2015. 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 \$20.0 million, a decrease of \$6.7 million from the prior year. The decrease is primarily due to expenses related to capital projects.

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2016 were \$15.2 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service annually account for the largest share of revenue for business-type activities. Of the \$13.3 million generated in 2016, \$10.1 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 2015, water sales accounted for \$9.7 million and sewer fees were \$2.6 million. Additionally for 2016, there was \$0.2 million in capital grants/contributions related to fixed asset additions. The decrease in capital grants/contributions of \$8.7 million were due to the recording of fixed asset additions in the prior year as construction-in-progress. 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 2016 were \$16.5 million.

Of the total expenses for business-type activities, \$16.1 million is attributable to Water and Sewer while \$0.4 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 \$14.1 million in expenses for 2015, \$6.4 million were attributable to the acquisition of water through JAWA.

FINANCIAL ANALYSIS OF THE VILLAGE'S GENERAL FUND

The General Fund is the Village's primary operating fund. It supports a majority of the day-to-day services delivered to its residences and businesses. The fund balance of the General Fund saw an increase of \$1.5 million in 2016 from \$17.2 million to \$18.7 million. In 2016, General Fund revenues came in above the final budget by \$0.4 million while expenditures and net transfers came in \$1.1 million under budget. The final Village budget had anticipated no change in the General Fund fund balance.

No other significant deviations from the final budget were seen in revenues during 2016.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2016, 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 and expenditures beginning on page 93.

Table 3
General Fund Budgetary Changes
Calendar Year 2016 (in millions)

	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 23.2	\$ 23.2	\$ 23.0
Intergovernmental	21.9	23.3	23.6
Other	<u>4.6</u>	<u>4.7</u>	<u>5.0</u>
Total Revenues	\$ 49.7	\$ 51.2	\$ 51.6
Expenditures and Transfers			
Expenditures	\$ 49.7	\$ 50.6	\$ 48.9
Net Transfers	<u>-</u>	<u>0.6</u>	<u>1.2</u>
Total Expenditures and Transfers	\$ 49.7	\$ 51.2	\$ 50.1
 Change in Fund Balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1.5</u>

Other Major Funds

There are two (2) other Major Funds for Fiscal Year ended December 31, 2016. These two Funds are 1) Refuse Disposal Fund, and 2) Debt Service Fund.

Refuse Disposal Fund – This Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2016 were \$4.6 million, an increase of \$0.6 million from the prior year. Almost the entire amount of revenue received during 2016 was due to charges for service. Total expenditures for 2016 were \$4.4 million, no change from the prior year. Ending fund balance increased \$0.2 million to \$1.4 million.

Debt Service Fund – This Fund is used to accumulate monies for payment of principal and interest on general obligation bonds and other borrowings. Total revenues for 2016 were \$5.0 million, an increase of \$0.1 million from the prior year. Of this total revenue amount, \$2.3 million is from property taxes, \$1.7 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 2016 were \$5.3 million, an increase of \$0.5 from the prior year. Other financing sources/uses included proceeds from and the payment on Series 2006 Library and Series 2009 Village bonds. There was a net other financing source of \$0.3 million as a result of the refundings. Ending fund balance remained at \$0.2 million.

(See independent auditor’s report.)

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

Capital Assets

At the end of 2016, the Village had a combined total of \$100.9 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 below). The following reconciliation summarizes the changes in Capital Assets.

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land (including right-of-way)	\$ 10.3	\$ 10.3	\$ 17.6	\$ 17.6	\$ 27.9	\$ 27.9
Construction in Progress	2.1	1.2	0.4	11.3	2.5	12.5
Buildings & Improvements	27.8	28.6	2.0	2.1	29.8	30.7
Vehicles	3.8	3.5	-	-	3.8	3.5
Machinery & Equipment	1.1	0.9	1.9	1.0	3.0	1.9
Infrastructure	19.2	21.7	14.7	4.3	33.9	26.0
Total Capital Assets	<u>\$ 64.3</u>	<u>\$ 66.2</u>	<u>\$ 36.6</u>	<u>\$ 36.3</u>	<u>\$ 100.9</u>	<u>\$ 102.5</u>

This amount represents a net decrease (including additions and deletions) of \$1.6 million from 2015.

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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)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning Balance	\$ 66.2	\$ 36.3	\$ 102.5
Additions			
Depreciable	1.4	11.8	13.2
Non-Depreciable	1.4	0.4	1.8
Retirements			
Depreciable	(0.5)	(0.1)	(0.6)
Non-Depreciable	(0.5)	(11.3)	(11.8)
Depreciation	(4.2)	(0.6)	(4.8)
Retirement	<u>0.5</u>	<u>0.1</u>	<u>0.6</u>
Ending Balance	<u>\$ 64.3</u>	<u>\$ 36.6</u>	<u>\$ 100.9</u>

Table 5 above shows the change in capital assets during 2016. 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 - \$0.9
Various construction projects in-progress - \$1.4
Purchases of various machinery & equipment - \$0.4

Business-Type Activities

Storm sewer main replacement - \$10.8
Purchases of various machinery & equipment - \$1.0

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 \$183.6 million as of December 31, 2016. Long-term debt is comprised of general obligation debt, compensated absences to employees, other post-employment benefits (OPEB), loans payable, and pension liability for IMRF, police and fire. During the year, \$17.8 million of general obligation debt and notes payable were issued while compensated absences, pension liability for IMRF and fire, and post-employment benefits increased \$6.1 million. Decreases in long term debt include the retirement of \$20.9 million in general obligation debt, \$3.4 million reduction in pension liability for police and \$0.4 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 2016. The \$1.5 million surplus increases the fund balance to 35% of the subsequent year budgeted expenditures. The Village Board has set as its benchmark a level of reserves equal to 25% of subsequent year expenditures. Total village revenues for 2016 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 2017 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 2016 was 4.6%. This is below the state and national unemployment rate of 5.9% and 4.9% respectively. The Village's unemployment rate increased 30 basis points from the prior year.

The 2017 Budget represents a 3.4% decrease from the amended 2016 Budget and totals \$112.8 million. The General Fund increased \$3.4 million, or 6.8% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 3.3% and totals \$70.6 million. The Operating Budget includes all General Fund expenditures as well as refuse disposal, water and sewer service, and various special revenue activities.

Request for Information

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

(See independent auditor's report.)

BASIC FINANCIAL STATEMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 33,392,092	\$ 3,607,885	\$ 36,999,977
Receivables (net of allowance, where applicable)			
Property taxes	18,360,104	1,515,464	19,875,568
Other taxes	7,845,070	-	7,845,070
Accrued interest	13,467	2,200	15,667
Accounts	514	-	514
Utility customers	-	1,315,893	1,315,893
Miscellaneous	1,055,195	41,988	1,097,183
Prepaid items	416,622	10,180	426,802
Inventory	323,487	410,287	733,774
Due from other governments	10,028,482	643	10,029,125
Deposits - insurance	2,244,022	-	2,244,022
Deposits with joint venture	-	881,764	881,764
Capital assets not being depreciated	12,402,243	17,969,336	30,371,579
Capital assets being depreciated (net of accumulated depreciation)	51,881,794	18,619,292	70,501,086
Total assets	137,963,092	44,374,932	182,338,024
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	5,705,047	1,335,332	7,040,379
Pension items - Police Pension	5,684,533	-	5,684,533
Pension items - Firefighters' Pension	7,361,919	-	7,361,919
Unamortized loss on refunding	586,248	-	586,248
Total deferred outflows of resources	19,337,747	1,335,332	20,673,079
Total assets and deferred outflows of resources	157,300,839	45,710,264	203,011,103
LIABILITIES			
Accounts payable	3,097,535	2,300,342	5,397,877
Accrued payroll	752,342	61,033	813,375
Accrued interest payable	112,785	-	112,785
Retainage payable	226,666	24,272	250,938
Other payables	31,772	833	32,605
Due to fiduciary funds	140,273	-	140,273
Unearned revenue	737,993	40,940	778,933
Due to other governments	55,586	-	55,586
Noncurrent liabilities			
Due within one year	5,221,307	48,684	5,269,991
Due in more than one year	176,415,098	1,910,310	178,325,408
Total liabilities	186,791,357	4,386,414	191,177,771
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	18,360,104	-	18,360,104
Pension items - IMRF	533,290	124,822	658,112
Pension items - Police Pension	4,334,228	-	4,334,228
Pension items - Firefighters' Pension	1,278,023	-	1,278,023
Total deferred inflows of resources	24,505,645	124,822	24,630,467
Total liabilities and deferred inflows of resources	211,297,002	4,511,236	215,808,238

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 43,024,875	\$ 36,588,628	\$ 79,613,503
Restricted for			
Highways and streets	2,465,482	-	2,465,482
Public safety - police	314,541	-	314,541
Public safety - fire	338,465	-	338,465
Debt service	168,152	-	168,152
Refuse disposal	1,270,784	-	1,270,784
Unrestricted (deficit)	<u>(101,578,462)</u>	<u>4,610,400</u>	<u>(96,968,062)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (53,996,163)</u>	<u>\$ 41,199,028</u>	<u>\$ (12,797,135)</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 9,949,082	\$ 4,496,290	\$ 29,677	\$ -
Public safety	38,328,609	1,795,838	668,528	-
Highways and streets	19,990,440	290,172	1,400,707	-
Health	4,620,982	4,595,123	-	-
Welfare	2,109,733	46,164	437,442	-
Culture and recreation	515,555	30,500	49,337	-
Interest	1,926,793	127,293	43,339	-
Total governmental activities	77,441,194	11,381,380	2,629,030	-
Business-Type Activities				
Water and sewer	16,054,624	12,931,867	-	244,423
Parking	390,118	334,102	-	-
Total business-type activities	16,444,742	13,265,969	-	244,423
TOTAL PRIMARY GOVERNMENT	\$ 93,885,936	\$ 24,647,349	\$ 2,629,030	\$ 244,423

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (5,423,115)	\$ -	\$ (5,423,115)
	(35,864,243)	-	(35,864,243)
	(18,299,561)	-	(18,299,561)
	(25,859)	-	(25,859)
	(1,626,127)	-	(1,626,127)
	(435,718)	-	(435,718)
	(1,756,161)	-	(1,756,161)
	(63,430,784)	-	(63,430,784)
	-	(2,878,334)	(2,878,334)
	-	(56,016)	(56,016)
	-	(2,934,350)	(2,934,350)
	(63,430,784)	(2,934,350)	(66,365,134)
General Revenues			
Taxes			
Property	20,463,758	1,524,901	21,988,659
Utility	3,629,525	-	3,629,525
Business district	341,340	-	341,340
Home rule sales	5,553,213	-	5,553,213
Food and beverage	1,197,389	-	1,197,389
Real estate transfer	1,049,770	-	1,049,770
Municipal motor fuel	676,040	-	676,040
Hotel/motel	501,314	-	501,314
Charitable games	4,101	-	4,101
Other	220,911	-	220,911
Intergovernmental - unrestricted			
State sales and use tax	17,630,758	-	17,630,758
Property tax TIF rebate	380,758	-	380,758
Income tax	5,272,834	-	5,272,834
Replacement tax	386,338	-	386,338
Investment income	76,594	14,419	91,013
Miscellaneous	33,286	90,810	124,096
Total	57,417,929	1,630,130	59,048,059
CHANGE IN NET POSITION	(6,012,855)	(1,304,220)	(7,317,075)
NET POSITION, JANUARY 1	(50,487,964)	41,916,948	(8,571,016)
Change in accounting principle	2,504,656	586,300	3,090,956
NET POSITION (DEFICIT), JANUARY 1, RESTATED	(47,983,308)	42,503,248	(5,480,060)
NET POSITION (DEFICIT), DECEMBER 31	\$ (53,996,163)	\$ 41,199,028	\$ (12,797,135)

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2016

	General	Refuse Disposal	Debt Service	Nonmajor	Total
ASSETS					
Cash and investments	\$ 11,892,092	\$ 960,475	\$ 167,652	\$ 7,194,489	\$ 20,214,708
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	16,087,246	-	2,272,858	-	18,360,104
Other taxes	6,772,937	-	-	1,072,133	7,845,070
Accounts	514	-	-	-	514
Accrued interest	9,082	-	-	-	9,082
Other	426,104	545,937	500	79,803	1,052,344
Due from other funds	735,763	-	-	-	735,763
Due from other governments	653,254	-	8,735,000	628,374	10,016,628
Inventories	1,765	28,661	-	-	30,426
Prepaid items	186,482	64,176	-	3,934	254,592
TOTAL ASSETS	\$ 36,765,239	\$ 1,599,249	\$ 11,176,010	\$ 8,978,733	\$ 58,519,231

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

December 31, 2016

	General	Refuse Disposal	Debt Service	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 833,274	\$ 229,755	\$ -	\$ 1,822,888	\$ 2,885,917
Accrued payroll	719,948	5,873	-	1,359	727,180
Retainage payable	11,521	-	-	215,145	226,666
Other payables	18,593	-	-	-	18,593
Compensated absences	21,880	-	-	-	21,880
Unearned revenue	192,567	-	-	545,426	737,993
Due to other governments	55,586	-	-	-	55,586
Due to other funds	-	-	-	735,763	735,763
Due to fiduciary funds	140,273	-	-	-	140,273
Total liabilities	1,993,642	235,628	-	3,320,581	5,549,851
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	16,087,246	-	2,272,858	-	18,360,104
Unavailable revenue - other	-	-	8,735,000	-	8,735,000
Total deferred inflows of resources	16,087,246	-	11,007,858	-	27,095,104
Total liabilities and deferred inflows of resources	18,080,888	235,628	11,007,858	3,320,581	32,644,955
FUND BALANCES					
Nonspendable					
Inventory	1,765	28,661	-	-	30,426
Prepaid items	186,482	64,176	-	3,934	254,592
Restricted					
Highways and streets	-	-	-	2,465,482	2,465,482
Public safety - police	-	-	-	314,541	314,541
Public safety - fire	-	-	-	338,465	338,465
Debt service	-	-	168,152	-	168,152
Refuse disposal	-	1,270,784	-	-	1,270,784
Unrestricted					
Assigned					
Capital projects	-	-	-	3,224,446	3,224,446
Unassigned (deficit)	18,496,104	-	-	(688,716)	17,807,388
Total fund balances	18,684,351	1,363,621	168,152	5,658,152	25,874,276
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 36,765,239	\$ 1,599,249	\$ 11,176,010	\$ 8,978,733	\$ 58,519,231

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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 25,874,276
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	64,284,037
Less internal service funds included below	(4,944,470)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	5,705,047
Deferred inflows of resources	(533,290)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	5,684,533
Deferred inflows of resources	(4,334,228)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	7,361,919
Deferred inflows of resources	(1,278,023)
Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	8,735,000
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(112,785)
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	(42,595,000)
Loan contracts payable	(359,175)
Installment notes payable	(1,525,000)
Business District limited tax note payable	(31,767,253)
Compensated absences payable	(3,239,034)
Net pension liability - Illinois Municipal Retirement Fund	(6,961,499)
Net pension liability - Police Pension Plan	(48,348,979)
Net pension liability - Firefighters Pension Plan	(42,652,737)
Unamortized bond premiums	(1,310,073)
Unamortized loss on refunding	586,248
Net other postemployment benefits obligation	(1,439,739)
The net position of the internal service funds are included in the governmental activities in the statement of net position	19,174,062
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ (53,996,163)

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, 2016

	General	Refuse Disposal	Debt Service	Nonmajor	Total
REVENUES					
Property taxes	\$ 15,917,480	\$ -	\$ 2,272,000	\$ 2,274,278	\$ 20,463,758
Other taxes	7,115,142	-	1,000,368	5,533,992	13,649,502
Licenses, permits, and fees	2,350,787	-	-	1,650,671	4,001,458
Intergovernmental	23,585,057	-	1,715,633	2,133,861	27,434,551
Charges for services	1,782,869	4,564,906	-	-	6,347,775
Fines and forfeits	414,885	-	-	-	414,885
Investment income	49,202	2,315	2,480	22,597	76,594
Other reimbursements	-	-	-	35,000	35,000
Miscellaneous	336,102	30,216	-	183,498	549,816
Total revenues	51,551,524	4,597,437	4,990,481	11,833,897	72,973,339
EXPENDITURES					
Current					
General government	6,926,119	-	-	2,509,482	9,435,601
Public safety	32,417,472	-	-	95,140	32,512,612
Highways and streets	7,282,165	-	-	866,531	8,148,696
Health	160,555	4,425,017	-	-	4,585,572
Welfare	1,561,972	-	-	432,946	1,994,918
Culture and recreation	499,208	-	-	-	499,208
Capital outlay	-	-	-	10,718,553	10,718,553
Debt service					
Principal retirement	-	-	3,243,840	-	3,243,840
Interest and fiscal charges	-	-	2,017,192	-	2,017,192
Total expenditures	48,847,491	4,425,017	5,261,032	14,622,652	73,156,192
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,704,033	172,420	(270,551)	(2,788,755)	(182,853)
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	17,835,000	-	17,835,000
Premium on bonds issued	-	-	1,022,839	-	1,022,839
Payment to escrow agent	-	-	(18,573,342)	-	(18,573,342)
Transfers in	-	-	-	1,637,926	1,637,926
Transfers (out)	(1,240,625)	-	-	(397,301)	(1,637,926)
Total other financing sources (uses)	(1,240,625)	-	284,497	1,240,625	284,497
NET CHANGE IN FUND BALANCES	1,463,408	172,420	13,946	(1,548,130)	101,644
FUND BALANCES, JANUARY 1	17,220,943	1,191,201	154,206	7,206,282	25,772,632
FUND BALANCES, DECEMBER 31	\$ 18,684,351	\$ 1,363,621	\$ 168,152	\$ 5,658,152	\$ 25,874,276

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 101,644
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	1,269,883
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	(9,843)
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,189,159)
Less internal service funds included below	644,112
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures but are recorded as long-term liabilities and deferred outflows and inflows of resources on the government-wide statements	
Issuance of refunding bonds	(17,835,000)
Premium on issuance of bonds	(1,022,839)
Loss on refunding	373,342
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
General obligation bonds payable	2,645,000
General obligation bonds refunded	18,200,000
Loan contracts payable	183,840
Installment notes payable	415,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Accreted interest on business district limited tax note payable	22,887
Amortization of premium	35,697
Increase in compensated absences	(2,762)
Increase in net other postemployment benefits obligation	(260,103)
Change in accrued interest	31,815
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows and inflows of resources is not a source or use of a financial resource	(1,326,849)
The change in the Police Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	(2,551,820)
The change in the Firefighters' Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	(2,829,231)
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(1,545,000)
The change in net position of the internal service funds is reported with governmental activities	1,636,531
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	\$ (6,012,855)

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 3,179,625	\$ 428,260	\$ 3,607,885	\$ 13,177,384
Receivables				
Property taxes	1,515,464	-	1,515,464	-
Accounts - billed	530,971	-	530,971	-
Accounts - unbilled	784,922	-	784,922	-
Accrued interest	2,200	-	2,200	4,385
Other	41,988	-	41,988	2,851
Inventories	410,287	-	410,287	293,061
Prepaid items	10,180	-	10,180	162,030
Due from other governments	643	-	643	11,854
Total current assets	6,476,280	428,260	6,904,540	13,651,565
NONCURRENT ASSETS				
Deposits - insurance	-	-	-	2,244,022
Deposit with joint venture	881,764	-	881,764	-
Subtotal noncurrent assets	881,764	-	881,764	2,244,022
Capital assets				
Capital assets not being depreciated	17,736,982	232,354	17,969,336	304,047
Capital assets being depreciated, cost	38,422,512	364,800	38,787,312	13,178,694
Accumulated depreciation	(19,803,220)	(364,800)	(20,168,020)	(8,538,271)
Net capital assets	36,356,274	232,354	36,588,628	4,944,470
Total noncurrent assets	37,238,038	232,354	37,470,392	7,188,492
Total assets	43,714,318	660,614	44,374,932	20,840,057
DEFERRED OUTFLOWS OF RESOURCES				
Pension items - IMRF	1,335,332	-	1,335,332	-
Total assets and deferred outflows of resources	45,049,650	660,614	45,710,264	20,840,057
CURRENT LIABILITIES				
Accounts payable	2,278,622	21,720	2,300,342	211,618
Accrued payroll	58,942	2,091	61,033	25,162
Retainage payable	24,272	-	24,272	-
Claims payable	-	-	-	1,020,210
Unearned revenue	-	40,940	40,940	-
Other payables	833	-	833	13,179
Compensated absences payable	47,689	995	48,684	30,010
Total current liabilities	2,410,358	65,746	2,476,104	1,300,179

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
LONG-TERM LIABILITIES				
Compensated absences payable	\$ 190,754	\$ 3,979	\$ 194,733	\$ 120,044
Claims payable	-	-	-	202,310
Net other postemployment benefits obligation	83,647	2,511	86,158	43,462
Net pension liability - IMRF	1,629,419	-	1,629,419	-
Total long-term liabilities	1,903,820	6,490	1,910,310	365,816
Total liabilities	4,314,178	72,236	4,386,414	1,665,995
DEFERRED INFLOWS OF RESOURCES				
Pension items - IMRF	124,822	-	124,822	-
Total liabilities and deferred inflows of resources	4,439,000	72,236	4,511,236	1,665,995
NET POSITION				
Investment in capital assets	36,356,274	232,354	36,588,628	4,944,470
Unrestricted	4,254,376	356,024	4,610,400	14,229,592
TOTAL NET POSITION	\$ 40,610,650	\$ 588,378	\$ 41,199,028	\$ 19,174,062

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, 2016

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 12,931,867	\$ 334,102	\$ 13,265,969	\$ 10,798,374
Contributions	-	-	-	1,291,865
Miscellaneous	-	-	-	16,462
Total operating revenues	12,931,867	334,102	13,265,969	12,106,701
OPERATING EXPENSES				
Administration and maintenance	15,445,931	390,118	15,836,049	2,671,815
Insurance and claims	-	-	-	7,267,819
Depreciation	604,661	-	604,661	644,112
Total operating expenses	16,050,592	390,118	16,440,710	10,583,746
OPERATING INCOME (LOSS)	(3,118,725)	(56,016)	(3,174,741)	1,522,955
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	1,524,901	-	1,524,901	-
Investment income	13,263	1,156	14,419	36,386
Other income	90,810	-	90,810	-
Gain (loss) on the sale of capital assets	(4,032)	-	(4,032)	49,007
Total non-operating revenues (expenses)	1,624,942	1,156	1,626,098	85,393
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(1,493,783)	(54,860)	(1,548,643)	1,608,348
CAPITAL GRANTS AND CONTRIBUTIONS	244,423	-	244,423	28,183
CHANGE IN NET POSITION	(1,249,360)	(54,860)	(1,304,220)	1,636,531
NET POSITION, JANUARY 1	41,273,710	643,238	41,916,948	17,537,531
Change in accounting principle	586,300	-	586,300	-
NET POSITION, JANUARY 1, RESTATED	41,860,010	643,238	42,503,248	17,537,531
NET POSITION, DECEMBER 31	\$ 40,610,650	\$ 588,378	\$ 41,199,028	\$ 19,174,062

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 12,865,821	\$ 291,668	\$ 13,157,489	\$ 2,188,652
Receipts from interfund services	-	-	-	9,890,172
Receipts from miscellaneous revenues	58,798	25,871	84,669	28,057
Payments to suppliers	(11,237,300)	(286,694)	(11,523,994)	(8,139,638)
Payments to employees	(2,616,507)	(93,948)	(2,710,455)	(1,403,742)
Net cash from operating activities	(929,188)	(63,103)	(992,291)	2,563,501
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	1,528,435	-	1,528,435	-
Home rule sales taxes	-	1,595	1,595	-
Net cash from noncapital financing activities	1,528,435	1,595	1,530,030	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(615,999)	-	(615,999)	(970,116)
Net cash from capital and related financing activities	(615,999)	-	(615,999)	(970,116)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	11,063	1,156	12,219	32,001
Net cash from investing activities	11,063	1,156	12,219	32,001
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,689)	(60,352)	(66,041)	1,625,386
CASH AND CASH EQUIVALENTS, JANUARY 1	3,185,314	488,612	3,673,926	11,551,998
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,179,625	\$ 428,260	\$ 3,607,885	\$ 13,177,384

(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, 2016

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,118,725)	\$ (56,016)	\$ (3,174,741)	\$ 1,522,955
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	604,661	-	604,661	644,112
Other income	90,810	-	90,810	-
Changes in assets and liabilities				
Receivables	(98,058)	-	(98,058)	180
Inventories	(15,971)	-	(15,971)	(15,933)
Prepaid items	(3,185)	-	(3,185)	(22,504)
Deposits	(184,517)	-	(184,517)	(139,607)
Accounts payable and retainage payable	1,399,470	6,272	1,405,742	155,053
Accrued payroll and compensated absences	40,531	1,833	42,364	10,251
Net other postemployment benefits obligation	45,176	1,371	46,547	19,442
Pension items - IMRF	310,620	-	310,620	-
Unearned revenues	-	(16,563)	(16,563)	-
Claims payable	-	-	-	389,552
NET CASH FROM OPERATING ACTIVITIES	\$ (929,188)	\$ (63,103)	\$ (992,291)	\$ 2,563,501
NONCASH TRANSACTIONS				
Capital contributions	\$ 244,423	\$ -	\$ 244,423.0	\$ 28,183

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

December 31, 2016

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,102,823	\$ 1,368,315
Investments		
State and local obligations	3,004,536	-
U.S. Government and U. S. agency obligations	21,728,745	-
Corporate bonds and obligations	18,108,464	-
Real estate	2,950,073	-
Mutual funds	73,068,834	-
Accrued interest receivable	258,718	-
Prepays	3,582	-
Due from other funds	140,273	-
Deposits	-	7,140
	<hr/>	<hr/>
Total assets	120,366,048	\$ 1,375,455
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	44,533	\$ -
Deposits payable	-	1,375,455
Other liabilities	-	-
	<hr/>	<hr/>
Total liabilities	44,533	\$ 1,375,455
	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	<hr/> \$ 120,321,515 <hr/>	

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, 2016

ADDITIONS

Contributions	
Employer	\$ 6,039,870
Plan members	<u>1,483,754</u>
Total contributions	<u>7,523,624</u>
Investment income	
Interest earned	1,356,324
Net change in fair value	6,051,931
Less investment expenses	<u>(197,059)</u>
Net investment income	<u>7,211,196</u>
Total additions	<u>14,734,820</u>

DEDUCTIONS

Administration	99,862
Benefits and refunds	<u>9,670,185</u>
Total deductions	<u>9,770,047</u>

NET INCREASE 4,964,773

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>115,356,742</u>
December 31	<u>\$ 120,321,515</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected mayor and a six-member board of trustees. In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, *The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, and includes all component units that have a significant operational or financial relationship with the Village. There are no component units for which the Village is considered to be financially accountable for.

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

Police Pension Employees Retirement System

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

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

b. Fund Accounting

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major proprietary fund:

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

The Village reports the following internal service funds:

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following fiduciary funds:

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes, 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 liabilities or revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

e. Cash and Investments

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

f. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

h. Inventories

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

i. Prepaid Items

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

j. Capital Assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

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

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

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

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

k. Compensated Absences

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

l. Rebtable Arbitrage

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

n. Property Taxes

Property taxes for 2016 attached as an enforceable lien on January 1, 2016 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, 2017 and August 1, 2017 and are payable in two installments, on or about March 1, 2017 and September 1, 2017. 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 2016 levy is intended to fund the 2017 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

o. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Balances/Net Position

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

Village Deposits and Investments

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

Village Deposits and Investments (Continued)

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

Deposits with Financial Institutions

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

Investments

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

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

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. 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)

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

3. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES

Court fines	\$ 27,560
Mount Prospect Public Library	8,748,336
Grants	839,469
TIF surplus	380,758
Miscellaneous	<u>32,359</u>

TOTAL	<u><u>\$ 10,028,482</u></u>
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The Series 2006 General Obligation Library Refunding Bonds, the Series 2011A General Obligation Refunding Bonds, and the Series 2016 General Obligation Refunding Bonds were issued to provide financing to the Mount Prospect Public Library (the Library). The Library is repaying these bonds issued by the Village. The Series 2006 General Obligation Library Refunding Bonds were refunded by the Series 2016 General Obligation Refunding Bonds during fiscal year 2016. The future principal and interest payments owed from the Library are as follows, with the principal portion recorded as an intergovernmental receivable in the debt service fund/governmental activities.

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
2017	\$ 1,375,000	\$ 203,650
2018	1,400,000	176,150
2019	1,425,000	148,150
2020	1,470,000	105,400
2021	1,515,000	61,300
2022	1,550,000	31,000
TOTAL	\$ 8,735,000	\$ 725,650

4. CAPITAL ASSETS

Capital asset activity for the Village for the year ended December 31, 2016 was as follows:

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land (including right-of-ways)	\$ 10,291,446	\$ -	\$ -	\$ 10,291,446
Construction in progress	1,201,514	1,398,727	489,444	2,110,797
Total capital assets not being depreciated	11,492,960	1,398,727	489,444	12,402,243
Capital assets being depreciated				
Buildings	38,009,332	-	-	38,009,332
Improvements other than buildings	436,273	-	-	436,273
Vehicles	10,116,129	867,406	355,977	10,627,558
Machinery and equipment	3,334,880	392,968	131,049	3,596,799
Infrastructure	85,628,750	175,203	18,386	85,785,567
Total capital assets being depreciated	137,525,364	1,435,577	505,412	138,455,529
Less accumulated depreciation for				
Buildings	9,547,371	754,855	-	10,302,226
Improvements other than buildings	337,307	21,814	-	359,121
Vehicles	6,643,276	545,725	319,963	6,869,038
Machinery and equipment	2,401,987	177,923	129,549	2,450,361
Infrastructure	63,922,533	2,688,842	18,386	66,592,989
Total accumulated depreciation	82,852,474	4,189,159	467,898	86,573,735
Total capital assets being depreciated, net	54,672,890	(2,753,582)	37,514	51,881,794
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 66,165,850	\$ (1,354,855)	\$ 526,958	\$ 64,284,037

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

4. CAPITAL ASSETS (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 17,551,172	\$ -	\$ -	\$ 17,551,172
Construction in progress	11,298,816	418,164	11,298,816	418,164
Total capital assets not being depreciated	28,849,988	418,164	11,298,816	17,969,336
Capital assets being depreciated				
Buildings and improvements	4,875,816	-	-	4,875,816
Machinery and equipment	4,062,241	955,727	-	5,017,968
Infrastructure	18,174,213	10,785,347	66,032	28,893,528
Total capital assets being depreciated	27,112,270	11,741,074	66,032	38,787,312
Less accumulated depreciation for				
Buildings and improvements	2,812,574	75,281	-	2,887,855
Machinery and equipment	3,024,550	166,439	-	3,190,989
Infrastructure	13,788,235	362,941	62,000	14,089,176
Total accumulated depreciation	19,625,359	604,661	62,000	20,168,020
Total capital assets being depreciated, net	7,486,911	11,136,413	4,032	18,619,292
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 36,336,899	\$ 11,554,577	\$ 11,302,848	\$ 36,588,628

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

GOVERNMENTAL ACTIVITIES

General government	\$ 403,271
Public safety	369,170
Highways and streets	2,763,017
Health and welfare	2,349
Culture and recreation	7,240
Internal service funds	644,112

TOTAL \$ 4,189,159

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

5. RISK MANAGEMENT

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

Premiums are paid into the Risk Management Fund by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2016 was \$1,222,520.

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, 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
Claims incurred - 2016	114,444	583,114	57,752	755,310
Claims payments - 2016	56,932	282,963	25,863	365,758
UNPAID CLAIMS,				
DECEMBER 31, 2016	\$ 59,012	\$ 1,071,019	\$ 92,489	\$ 1,222,520

a. High-Level Excess Liability Pool

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

5. RISK MANAGEMENT (Continued)

a. High-Level Excess Liability Pool (Continued)

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

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

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

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

b. Intergovernmental Personnel Benefit Cooperative

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

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

5. RISK MANAGEMENT (Continued)

b. Intergovernmental Personnel Benefit Cooperative (Continued)

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

6. LONG-TERM DEBT

a. General Obligation Bonds

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

On September 8, 2016, the Village issued General Obligation Library Refunding Bonds, Series 2016 to advance refund the General Obligation Library Refunding Bonds, Series 2006. The refunding resulted in a cash flow savings of \$939,438 and an economic gain of \$812,179.

Additionally, on December 1, 2016, the Village issued General Obligation Refunding Bonds, Series 2016 to advance refund the General Obligation Bonds, Series 2009. The refunding resulted in a cash flow savings of \$1,152,339 and an economic gain of \$1,156,813.

b. Installment Notes Payable

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

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

6. LONG-TERM DEBT (Continued)

c. Business District Limited Tax Note Payable

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

d. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2016:

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
\$10,000,000 General Obligation Bonds, Series 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	\$ 9,555,000	\$ -	\$ 9,555,000	\$ -	\$ -
\$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	-	9,200,000	600,000	-
\$3,430,000 General Obligation Refunding Bonds, Series 2009B, due in annual installments of \$230,000 to \$370,000, plus interest at 2.50% to 3.75% through December 1, 2021.	Debt Service	2,035,000	-	315,000	1,720,000	320,000
\$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	2,585,000	-	55,000	2,530,000	75,000

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
\$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	\$ 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	3,675,000	-	695,000	2,980,000	715,000
\$2,975,000 General Obligation Bonds, Series 2012C, due in annual installments from \$610,000 to \$865,000, plus interest at 3.10% through December 1, 2022.	Debt Service	1,745,000	-	-	1,745,000	-
\$9,800,000 General Obligation Bonds, Series 2013, due in annual installments of \$555,000 to \$885,000, plus interest at 3.000% to 4.125% through December 1, 2033.	Debt Service	9,800,000	-	-	9,800,000	-
\$6,290,000 General Obligation Bonds, Series 2014, due in annual installments of \$290,000 to \$1,265,000, plus interest at 3% through December 1, 2023.	Debt Service	5,685,000	-	300,000	5,385,000	305,000
\$8,735,000 General Obligation Bonds, Series 2016, due in annual installments of \$1,375,000 to \$1,550,000, plus interest at 2% to 3% through December 1, 2022.	Debt Service	-	8,735,000	-	8,735,000	1,375,000
\$9,100,000 General Obligation Bonds, Series 2016A, due in annual installments of \$120,000 to \$1,905,000, plus interest at 3% through December 1, 2028.	Debt Service	-	9,100,000	-	9,100,000	120,000
Total bonds		45,605,000	17,835,000	20,845,000	42,595,000	2,910,000

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
\$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	\$ 155,835	\$ -	\$ 76,800	\$ 79,035	\$ 79,035
\$1,760,422 IEPA Flood Loan Contract Payable of 1999 (L17-1087), due in semiannual installments of \$57,498 to \$112,771, plus interest at 2.625% through June 3, 2019.	Debt Service	387,179	-	107,039	280,140	109,868
Total IEPA flood loan installment notes payable		543,014	-	183,839	359,175	188,903
\$2,500,000 installment note payable of 2012, due in annual installments of \$25,000 to \$590,000, plus interest at 0.91% through December 1, 2019.	Debt Service	1,940,000	-	415,000	1,525,000	420,000
Total installment notes payable		1,940,000	-	415,000	1,525,000	420,000
\$25,000,000 Business District limited tax note payable of 2010, interest at 6.71% due in semiannual installments contingent upon sufficient pledged revenues.	Business District	31,790,140	-	22,887	31,767,253	-
Total Business District limited tax note payable		31,790,140	-	22,887	31,767,253	-

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 2016:

	Debt Retired by	Balances January 1, as Restated	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
Compensated absences	General	\$ 3,374,988	\$ 148,655	\$ 112,675	\$ 3,410,968	\$ 682,194
Claims and judgments	Internal Service	832,968	755,394	365,842	1,222,520	1,020,210
Net other postemployment benefit obligation	General	1,203,656	279,545	-	1,483,201	-
General obligation bonds	Debt Service	45,605,000	17,835,000	20,845,000	42,595,000	2,910,000
Unamortized bond premium		322,931	1,022,839	35,697	1,310,073	-
Loan contracts payable	Debt Service	543,015	-	183,840	359,175	188,903
Installment notes payable	Debt Service	1,940,000	-	415,000	1,525,000	420,000
Net pension liability - IMRF	General	4,223,679	2,737,820	-	6,961,499	-
Net pension liability - Police Pension	General	51,731,299	-	3,382,320	48,348,979	-
Net pension liability - Firefighters' Pension	General	41,490,012	1,162,725	-	42,652,737	-
Business District limited tax note payable	Business District	31,790,140	-	22,887	31,767,253	-
Total governmental activities		183,057,688	23,941,978	25,363,261	181,636,405	5,221,307
BUSINESS-TYPE ACTIVITIES						
Compensated absences*		207,327	36,090	-	243,417	48,684
Net pension liability - IMRF**		988,601	640,818	-	1,629,419	-
Net other postemployment benefit obligation*		39,611	46,547	-	86,158	-
Total business-type activities		1,235,539	723,455	-	1,958,994	48,684
TOTAL		\$ 184,293,227	\$ 24,665,433	\$ 25,363,261	\$ 183,595,399	\$ 5,269,991

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

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

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

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds		Loan Contracts Payable		Installment Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,910,000	\$ 876,815	\$ 188,903	\$ 8,355	\$ 420,000	\$ 13,878
2018	3,085,000	836,860	112,772	3,735	515,000	10,056
2019	3,200,000	790,363	57,500	754	590,000	5,369
2020	4,060,000	736,507	-	-	-	-
2021	4,440,000	657,447	-	-	-	-
2022	4,645,000	563,342	-	-	-	-
2023	2,825,000	460,106	-	-	-	-
2024	2,285,000	382,006	-	-	-	-
2025	2,390,000	333,006	-	-	-	-
2026	2,470,000	307,006	-	-	-	-
2027	2,545,000	280,006	-	-	-	-
2028	2,635,000	252,006	-	-	-	-
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	-	-	-	-
TOTAL	\$ 42,595,000	\$ 7,043,505	\$ 359,175	\$ 12,844	\$ 1,525,000	\$ 29,303

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

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

6. LONG-TERM DEBT (Continued)

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 \$122,368 to HELP in 2016. For 2017, the Village estimates it will pay \$129,989.

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 2017, the Village estimates it will pay SWANCC \$904,291, 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	Prospect/Main TIF Fund	\$ 687,995
	CDBG Fund	47,768
		<u>735,763</u>
Fiduciary		
Police Pension	General	58,891
Firefighters' Pension	General	81,382
		<u>140,273</u>
TOTAL		<u><u>\$ 876,036</u></u>

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

- \$687,995 due to the General Fund from the Prospect/Main TIF Fund. The balance represents a short-term operating loan to this newly created TIF. Expenses related to property acquisition and site clean-up were funded by a short-term loan which is expected to be repaid upon the sale of subject property. Repayment is expected during calendar year 2017.
- \$58,891 due to the Police Pension Fund from the General Fund. This was the contributions due for 2016 tax collections received in January and February 2017.
- \$81,382 due to the Firefighters' Pension Fund from the General Fund. This was the contributions due for 2016 tax collections received in January and February 2017.

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

- \$664,544 transferred to the Business District Fund from the General Fund for the business district portion of 2015 Sales Tax not transferred in 2015.
- \$973,382 transferred to the nonmajor Downtown Redevelopment Fund from the General Fund. The transfer allowed for the closing out of the Downtown Redevelopment Fund TIF which carried a deficit fund balance. The Downtown Redevelopment TIF Fund was terminated by board action on October 18, 2016 and made effective December 31, 2016.

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

9. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

10. JOINT VENTURES

a. Solid Waste Agency of Northern Cook County

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

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

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

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)

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 \$1,063,494 to SWANCC in 2016. The payments have been recorded in the Refuse Disposal Fund. The Village does not have an equity interest in SWANCC at December 31, 2016.

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, 2016 are as follows:

	Percent Share
	<hr/>
Village of Elk Grove Village	16.95%
Village of Hanover Park	9.08%
Village of Hoffman Estates	16.44%
Village of Mount Prospect	12.25%
City of Rolling Meadows	7.38%
Village of Schaumburg	26.73%
Village of Streamwood	11.17%
	<hr/>
TOTAL	100.00%
	<hr/>

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, 901 Wellington Avenue, Elk Grove Village, Illinois 60007.

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

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

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

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

10. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

The 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 \$6,375,206 to JAWA for 2016. Deposits with JAWA in the amount of \$881,764 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)

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, 2016, retirees contributed \$769,119.

c. Membership

At December 31, 2014 (latest information available), 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>
TOTAL	<u>349</u>
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 2016 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
2014	\$ 607,350	\$ 287,447	47.33%	\$ 922,971
2015	682,426	362,130	53.07%	1,243,267
2016	688,222	362,130	53.09%	1,569,359

The net OPEB obligation as of December 31, 2016 was calculated as follows:

Annual required contribution	\$ 679,933
Interest on net OPEB obligation	49,731
Adjustment to annual required contribution	<u>(41,442)</u>
Annual OPEB cost	688,222
Contributions made	<u>(362,130)</u>
Increase in net OPEB obligation	326,092
Net OPEB obligation, beginning of year	<u>1,243,267</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 1,569,359</u>

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%

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the December 31, 2014 actuarial valuation (latest information available), 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 3.5% inflation assumption and 4.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 1, 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 or at imrf.org.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2016 was 11.99%.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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	244
 TOTAL	 634

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

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

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)

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

There were changes in assumptions made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015 is 7.48%. The discount rate used in the prior actuarial valuation, dated December 31, 2014 was 7.49%.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

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

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,326,849.

At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 806,165	\$ 899,920
Changes in assumptions	1,676,199	-
Employer contributions after the measurement date	1,987,782	-
Net difference between projected and actual earnings on pension plan investments	<u>5,157,307</u>	<u>-</u>
TOTAL	<u><u>\$ 9,627,453</u></u>	<u><u>\$ 899,920</u></u>

The net deferred outflows and inflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the net deferred outflows and inflows of resources at December 31, 2016 was \$6,382,267. The Library's proportionate share of the deferred outflows of resources at December 31, 2016 was \$2,345,266. The Village and Library contributed an additional \$1,453,487 and \$534,295, respectively, to the plan subsequent to the measurement date of December 31, 2015 which are included in deferred outflows of resources as of December 31, 2016.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

\$1,453,487 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending</u> <u>December 31,</u>	
2017	\$ 1,626,971
2018	1,626,971
2019	850,610
2020	<u>824,228</u>
 TOTAL	 <u>\$ 4,928,780</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)	<u>6,447,088</u>	<u>3,156,543</u>	<u>446,830</u>
 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)

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, 2016, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	83
 TOTAL	 161

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, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% 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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has decided to fund 100% of the past service cost by 2040. For the year ended December 31, 2016, the Village's contribution was 39.06% of covered payroll. The Village utilizes the entry-age normal actuarial cost method to fund the plan.

Investment Policy

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

or any county, township, or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes.

Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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%	1.4%
Large Cap Domestic Equities	38.5%	6.6%
Small Cap Domestic Equities	11.0%	8.6%
International Equities	5.5%	6.9%

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

Asset class returns and risk premium data are from *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar* for the period December 31, 1925 through December 31, 2015. The International Equity equals the MSCI EAFE Index for the period December 31, 1977 through December 31, 2015. The long-term expected real rates of return are net of inflation and investment expense. Long-term returns for the asset classes are calculated on a geometric mean basis.

Investment Valuations

All investments are stated at fair value at December 31, 2016. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment Concentrations

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

At December 31, 2016, 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 4,045,138	\$ 449,780	\$ 1,971,586	\$ 1,529,924	\$ 93,848
U.S. agencies	6,495,150	1,112	317,701	599,034	5,577,303
State, local, and municipal bonds	2,158,254	306,350	234,825	105,517	1,511,562
Corporate bonds	10,299,758	370,786	5,913,660	3,745,711	269,601
TOTAL	\$ 22,998,300	\$ 1,128,028	\$ 8,437,772	\$ 5,980,186	\$ 7,452,314

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market with a minimum return of 7% desired during a market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

The Fund has the following recurring fair value measurements as of December 31, 2016: the U.S. Treasury obligations and mutual funds were valued using quoted prices in active markets for identical assets (Level 1 inputs) and U.S. agency obligations; state, local and municipal obligations, and corporate bond obligations were valued using quoted matrix pricing models (Level 2 inputs).

Credit Risk

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

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk - Investments

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

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of December 31, 2016 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 110,231,339	\$ 58,500,040	\$ 51,731,299
Changes for the period			
Service cost	1,732,924	-	1,732,924
Interest	8,221,483	-	8,221,483
Difference between expected and actual experience	(5,201,074)	-	(5,201,074)
Changes in assumptions	29,971	-	29,971
Employer contributions	-	3,232,887	(3,232,887)
Employee contributions	-	815,684	(815,684)
Net investment income	-	4,161,658	(4,166,658)
Benefit payments and refunds	(4,688,978)	(4,688,978)	-
Administrative expense	-	(44,605)	49,605
Net changes	94,326	3,476,646	(3,382,320)
BALANCES AT DECEMBER 31, 2016	\$ 110,325,665	\$ 61,976,686	\$ 48,348,979

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Net Pension Liability (Continued)

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.50%.

There was also a change in assumption related to the projected rate for annual pay increases made since the prior measurement date. The projected rate for annual pay increases used in the current actuarial valuation, dated December 31, 2016, is 4%. The projected rate for annual pay increases used in the prior actuarial valuation, dated December 31, 2015, was 5%.

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

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

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00%
Discount rate	7.25%
Cost of living adjustments - Tier 1	3.00%
Cost of living adjustments - Tier 2	1.25%
Asset valuation method	Market value of assets

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy individuals were based on the RP-2014 Mortality Table with a blue collar adjustment, projected from 2006 to 2017 using Scale MP-2016. Mortality rates for disabled individuals were based on the RP-2000 Disabled Mortality Table, projected from 2006 to 2017 using Scale MP-2016. The actuarial assumptions used in the December 31, 2016 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 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Interest Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 62,691,315	\$ 48,348,979	\$ 35,656,646

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2016, the Village recognized police pension expense of \$5,784,707.

At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 58,140	\$ 4,334,228
Changes in assumptions	4,442,897	-
Net difference between projected and actual earnings on pension plan investments	1,183,496	-
TOTAL	\$ 5,684,533	\$ 4,334,228

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

<u>Year Ending December 31,</u>	
2017	\$ 963,194
2018	963,194
2019	963,195
2020	(677,430)
2021	(861,848)
TOTAL	\$ 1,350,305

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2016, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	84
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>71</u>
TOTAL	<u><u>156</u></u>

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 annually. 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 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fully fund the past service costs for the Firefighters' Pension Plan. However, the Village has decided to fund 100% of the past service cost by 2040. For the year ended December 31, 2016, the Village's contribution was 40.20% 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)

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

Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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%	2.50%
U.S. Equities	40%	7.50%
International Equities	16%	8.50%
Real Estate	9%	4.50%

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

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

Investment Valuations

All investments are stated at fair value at December 31, 2016. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Concentrations

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

At December 31, 2016, 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.58%. 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)

Firefighters' 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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasuries	\$ 2,528,576	\$ 554,925	\$ 746,092	\$ 1,227,559	\$ -
U.S. agencies	8,659,881	150,570	854,166	1,067,871	6,587,274
State, local and municipal bonds	846,282	357,291	380,773	108,218	-
Corporate bonds	7,808,706	213,327	4,615,021	2,842,710	137,648
TOTAL	\$ 19,843,445	\$ 1,276,113	\$ 6,596,052	\$ 5,246,358	\$ 6,724,922

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market with a minimum return of 7% desired during a market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

The Fund has the following recurring fair value measurements as of December 31, 2016: the U.S. Treasury obligations and mutual funds were valued using quoted prices in active markets for identical assets (Level 1 inputs); and U.S. agency obligations, state, local and municipal obligations, corporate bond obligations, and investments in real estate pools were valued using quoted matrix pricing models (Level 2 inputs).

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Credit Risk

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

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.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of December 31, 2016 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 98,346,714	\$ 56,856,702	\$ 41,490,012
Changes for the period			
Service cost	1,429,810	-	1,429,810
Interest	7,296,444	-	7,296,444
Difference between expected and actual experience	(1,491,027)	-	(1,491,027)
Changes in assumptions	396,832	-	396,832
Employer contributions	-	2,806,983	(2,806,983)
Employee contributions	-	668,070	(668,070)
Net investment income	-	3,049,538	(3,049,538)
Benefit payments and refunds	(4,981,207)	(4,981,207)	-
Administrative expense	-	(55,257)	55,257
Net changes	2,650,852	1,488,127	1,162,725
BALANCES AT DECEMBER 31, 2016	\$ 100,997,566	\$ 58,344,829	\$ 42,652,737

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.50%.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Net Pension Liability (Continued)

There was also a change in assumption related to the projected rate for annual pay increases made since the prior measurement date. The projected rate for annual pay increases used in the current actuarial valuation, dated December 31, 2016, is 4%. The projected rate for annual pay increases used in the prior actuarial valuation, dated December 31, 2015, was 5%.

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

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

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00%
Discount rate	7.25%
Cost of living adjustments - Tier 1	3.00%
Cost of living adjustments - Tier 2	1.25%
Asset valuation method	Market value of assets

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy individuals were based on the RP-2014 Mortality Table with a blue collar adjustment, projected from 2006 to 2017 using Scale MP-2016. Mortality rates for disabled individuals were based on the RP-2004 Disabled Mortality Table, projected from 2006 to 2017 using Scale MP-2016. The actuarial assumptions used in the December 31, 2016 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 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Interest Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 54,772,445	\$ 42,652,737	\$ 31,831,569

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2016, the Village recognized firefighter's pension expense of \$5,636,214.

At December 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighter's pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,040,650	\$ 1,278,023
Changes in assumptions	5,305,037	-
Net difference between projected and actual earnings on pension plan investments	1,016,232	-
TOTAL	<u>\$ 7,361,919</u>	<u>\$ 1,278,023</u>

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

<u>Year Ending December 31,</u>	
2017	\$ 1,728,472
2018	1,728,472
2019	1,728,473
2020	1,211,104
2021	(156,314)
Thereafter	<u>(156,311)</u>
TOTAL	<u>\$ 6,083,896</u>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Fiduciary Funds Summary Financial Information

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

Statement of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 678,397	\$ 424,426	\$ 1,102,823
Investments			
State and local obligations	2,158,254	846,282	3,004,536
U.S. Government and U.S. agency obligations	10,540,288	11,188,457	21,728,745
Corporate bonds and obligations	10,299,758	7,808,706	18,108,464
Real estate	-	2,950,073	2,950,073
Mutual funds	38,123,159	34,945,675	73,068,834
Accrued interest receivable	146,527	112,191	258,718
Due from other funds	58,891	81,382	140,273
Prepays	1,912	1,670	3,582
	<u>62,007,186</u>	<u>58,358,862</u>	<u>120,366,048</u>
LIABILITIES			
Accounts payable	<u>30,500</u>	<u>14,033</u>	<u>44,533</u>
	<u>30,500</u>	<u>14,033</u>	<u>44,533</u>
NET POSITION	<u>\$ 61,976,686</u>	<u>\$ 58,344,829</u>	<u>\$ 120,321,515</u>

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Fiduciary Funds Summary Financial Information (Continued)

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,232,887	\$ 2,806,983	\$ 6,039,870
Employee	815,684	668,070	1,483,754
Total contributions	4,048,571	3,475,053	7,523,624
Invest income			
Net appreciation in fair value of investments	3,512,674	2,539,257	6,051,931
Interest income	760,605	595,719	1,356,324
Less investment expense	(111,621)	(85,438)	(197,059)
Net investment income	4,161,658	3,049,538	7,211,196
Total additions	8,210,229	6,524,591	14,734,820
DEDUCTIONS			
Administrative	44,605	55,257	99,862
Pension benefits and refunds	4,688,978	4,981,207	9,670,185
Total deductions	4,733,583	5,036,464	9,770,047
NET INCREASE	3,476,646	1,488,127	4,964,773
NET POSITION RESTRICTED FOR PENSIONS			
January 1	58,500,040	56,856,702	115,356,742
December 31	\$ 61,976,686	\$ 58,344,829	\$ 120,321,515

13. DEFICIT FUND BALANCES

As of December 31, 2016, the Prospect/Main TIF Fund had a deficit fund balance of \$687,995.

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

14. CHANGE IN ACCOUNTING PRINCIPLES

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.

In 2016, the Village made a determination to report information from the December 31, 2015 actuarial valuation for IMRF in order to continue its dedication to timely financial reporting. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities and related deferred inflows and outflows of resources from December 31, 2014.

Additionally, due to the requirements set forth in GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, the Village reported contributions made subsequent to the measurement date as deferred outflows of resources. These amounts are part of the restatement disclosed in the table below.

NET POSITION - GOVERNMENTAL ACTIVITIES AS PREVIOUSLY REPORTED, JANUARY 1, 2015	<u>\$ (50,487,964)</u>
Deferred outflows of resources - IMRF	(766,453)
Net pension liability - IMRF	2,737,820
IMRF deferred inflows of resources - IMRF	<u>533,289</u>
Total adjustments	<u>2,504,656</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES, AS RESTATED, DECEMBER 31, 2015	<u><u>\$ (47,983,308)</u></u>
NET POSITION - BUSINESS-TYPE ACTIVITIES AS PREVIOUSLY REPORTED, JANUARY 1, 2015	<u>\$ 41,916,948</u>
Water and sewer fund	
Deferred outflows of resources - IMRF	(179,340)
Net pension liability - IMRF	640,819
IMRF deferred inflows of resources - IMRF	<u>124,821</u>
Total water and sewer	<u>586,300</u>
TOTAL NET POSITION - BUSINESS-TYPE ACTIVITIES AS RESTATED, JANUARY 1, 2015	<u><u>\$ 42,503,248</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 15,884,000	\$ 15,884,000	\$ 15,917,480
Other taxes	7,340,000	7,340,000	7,115,142
Licenses, permits, and fees	2,153,000	2,273,000	2,350,787
Intergovernmental	21,892,020	23,292,020	23,585,057
Charges for services	1,671,300	1,671,300	1,782,869
Fines and forfeits	442,000	442,000	414,885
Investment income	4,100	4,100	49,202
Miscellaneous	271,800	271,800	336,102
Total revenues	49,658,220	51,178,220	51,551,524
EXPENDITURES			
General government	6,870,160	7,349,086	6,926,119
Public safety	32,777,349	33,045,849	32,417,472
Highways and streets	7,728,237	7,858,003	7,282,165
Health	161,466	251,496	160,555
Welfare	1,564,584	1,574,584	1,561,972
Culture and recreation	556,424	556,424	499,208
Total expenditures	49,658,220	50,635,442	48,847,491
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(576,367)	(1,240,625)
Total other financing sources (uses)	-	(576,367)	(1,240,625)
NET CHANGE IN FUND BALANCE	\$ -	\$ (33,589)	1,463,408
FUND BALANCE, JANUARY 1			17,220,943
FUND BALANCE, DECEMBER 31			\$ 18,684,351

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services	\$ 4,588,500	\$ 4,588,500	\$ 4,564,906
Investment income	500	500	2,315
Miscellaneous	11,000	11,000	30,216
	<hr/>		
Total revenues	4,600,000	4,600,000	4,597,437
	<hr/>		
EXPENDITURES			
Health			
Refuse disposal division			
Personal services	241,809	241,809	252,386
Employee benefits	116,065	116,065	115,843
Other employee costs	1,273	1,273	1,273
Contractual services	4,341,424	4,334,224	3,980,458
Utilities	456	456	228
Insurance	28,914	28,914	28,914
Commodities and supplies	39,203	46,403	45,915
	<hr/>		
Total expenditures	4,769,144	4,769,144	4,425,017
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (169,144)	\$ (169,144)	172,420
	<hr/>		
FUND BALANCE, JANUARY 1			1,191,201
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 1,363,621
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(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

Last Six Fiscal Years

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2011	\$ -	\$ 8,280,690	0.00%	\$ 8,280,690	\$ 22,325,901	37.09%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	7,201,300	0.00%	7,201,300	24,540,441	29.34%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	10,485,116	0.00%	10,485,116	27,084,313	38.71%
2016	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

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

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 five-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.

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 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	\$ 3,204,363
Contributions in relation to the actuarially determined contribution	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	3,232,887
CONTRIBUTION DEFICIENCY (Excess)	\$ (1,142)	\$ (12,029)	\$ (49,337)	\$ (2,496)	\$ (37,174)	\$ (26,490)	\$ 773	\$ (1,247)	\$ (8,527)	\$ (28,524)
Covered-employee payroll	\$ 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	\$ 8,276,985
Contributions as a percentage of covered-employee payroll	18.9%	19.9%	21.1%	30.8%	33.0%	31.9%	32.4%	37.3%	36.3%	39.1%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was closed level percentage of pay; the amortization period was 24 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an interest rate of 7.25%, annually, net of investment and administrative expenses; inflation of 2.50% annually; projected salary increases of 4.00% annually; and annual postretirement benefit increases of 3.00% for Tier 1 members and 1.25% for Tier 2 members.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 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	\$ 2,589,599
Contributions in relation to the actuarially determined contribution	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	2,806,983
CONTRIBUTION DEFICIENCY (Excess)	\$ (46,065)	\$ (28,102)	\$ (124,454)	\$ (3,432)	\$ (15,311)	\$ (36,712)	\$ (47,738)	\$ 2,389	\$ (6,215)	\$ (217,384)
Covered-employee payroll	\$ 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	\$ 6,981,704
Contributions as a percentage of covered-employee payroll	23.4%	24.2%	24.9%	32.7%	34.8%	36.8%	36.8%	38.0%	39.3%	40.2%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was closed level percentage of pay; the amortization period was 24 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an interest rate of 7.25%, annually, net of investment and administrative expenses; inflation of 2.50% annually; projected salary increases of 4.00% annually; and annual postretirement benefit increases of 3.00% for Tier 1 members and 1.25% for Tier 2 members.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

Last Six Fiscal Years

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2016	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**

Last Two Fiscal Years

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

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

Last Three Fiscal Years

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

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

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

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

Last Three Fiscal Years

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

Notes to Required Supplementary Information

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

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

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Three Fiscal Years

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

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

Last Three Fiscal Years

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

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

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

BUDGETS

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

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

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

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

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

Fund	Actual Expenditures	Final Budget/ Appropriation
Debt Service Fund	\$ 5,261,032	\$ 5,084,687
Prospect/Main TIF Fund	290,694	289,792

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUND

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

DEBT SERVICE FUND

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
TAXES			
Property taxes - general	\$ 10,092,000	\$ 10,092,000	\$ 10,096,693
Property taxes - police pension	3,147,000	3,147,000	3,154,601
Property taxes - firefighters' pension	2,530,000	2,530,000	2,539,235
Road and bridge property taxes	115,000	115,000	126,951
Auto rental tax	20,000	20,000	20,204
Food and beverage tax	720,000	720,000	805,172
Real estate transfer tax	925,000	1,050,000	1,049,770
Hotel/motel tax	288,000	288,000	272,626
Telecommunications tax	2,200,000	2,075,000	2,020,525
Home rule sales tax	1,405,000	1,405,000	1,337,845
Gas utility tax	590,000	590,000	451,363
Electric utility tax	1,192,000	1,192,000	1,157,637
Total taxes	23,224,000	23,224,000	23,032,622
LICENSES, PERMITS, AND FEES			
Liquor licenses	165,000	165,000	181,825
Business licenses	140,000	140,000	144,825
Contractor licenses	55,000	55,000	53,815
Alarm licenses	42,000	42,000	39,421
Elevator licenses	28,000	28,000	29,250
Building permit fees	500,000	620,000	616,831
Electrical permit fees	6,000	6,000	8,900
Permit penalties	1,000	1,000	-
Plumbing permit fees	-	-	255
Reinspection fees	50,000	50,000	50,834
Vacant structure registration fees	2,000	2,000	11,500
Truck rental fees	1,000	1,000	465
Utility permit fees	4,000	4,000	5,050
Plan examination fees	7,000	7,000	7,215
Stormwater detention	10,000	10,000	18,450
Street opening fees	2,000	2,000	900
ZBA hearing fees	15,000	15,000	9,400
Public improvement inspections	1,000	1,000	41,508
Village impact fees	-	-	8,100
False alarm fees	8,000	8,000	14,050
Landlord/tenant fees	315,000	315,000	293,830
Cable TV franchise	801,000	801,000	814,363
Total licenses, permits, and fees	2,153,000	2,273,000	2,350,787
INTERGOVERNMENTAL			
State sales tax	14,375,000	15,625,000	15,864,573
State income tax	5,350,000	5,350,000	5,272,834
State use tax	1,010,000	1,160,000	1,286,185
Charitable games tax	4,000	4,000	4,101
Incremental taxes	100,200	100,200	107,919

(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, 2016

	Budget		Actual
	Original	Final	
INTERGOVERNMENTAL (Continued)			
Replacement taxes	\$ 385,000	\$ 385,000	\$ 378,709
Replacement taxes - road and bridge	8,000	8,000	7,630
Grant - tobacco enforcement	3,300	3,300	3,300
Grant - body armor	9,720	9,720	9,000
Grant - NACCHO	5,000	5,000	3,946
Grant - SAFER	641,800	641,800	646,160
Grant - other grants	-	-	700
Total intergovernmental	21,892,020	23,292,020	23,585,057
CHARGES FOR SERVICES			
Water and sewer service charge	250,000	250,000	250,000
Maintenance of state highways	102,000	102,000	148,272
Ambulance transport fees	980,000	980,000	1,053,949
Forest River Rural FPD	53,000	53,000	55,625
Cable programming fees	26,600	26,600	25,757
Other programs	42,500	42,500	31,574
Special detail revenue	42,000	42,000	37,746
Police training revenue	5,000	5,000	3,113
Fire training revenue	17,000	17,000	24,619
Lease payments - cell tower	137,000	137,000	136,013
General store lease	16,200	16,200	16,201
Total charges for services	1,671,300	1,671,300	1,782,869
FINES AND FORFEITS			
Fines - parking	250,000	250,000	241,279
Fines - local ordinances	5,000	5,000	5,323
Fines - code enforcement	20,000	20,000	29,650
Fines - circuit court	144,000	144,000	108,973
Fines - parental responsibility	3,000	3,000	900
Forfeited escrow funds	20,000	20,000	28,760
Total fines and forfeits	442,000	442,000	414,885
INVESTMENT INCOME			
Investment income	3,100	3,100	46,462
Interest - escrow funds	1,000	1,000	2,740
Total investment income	4,100	4,100	49,202
MISCELLANEOUS			
Reimburse - high school youth officer	90,000	90,000	92,755
Reimburse - Library	20,000	20,000	27,969
Shared cost - sidewalk	15,000	15,000	14,076
Shared cost - tree replacement	20,000	20,000	23,288
Reimburse - village property	10,000	10,000	28,599

(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, 2016

	Budget		Actual
	Original	Final	
MISCELLANEOUS (Continued)			
Other reimbursements	\$ 10,000	\$ 10,000	\$ 33,968
Human services revenue	19,200	19,200	18,195
Fire and police reports	6,000	6,000	6,245
Animal release fees	500	500	275
Subpoena fees	500	500	812
Other revenue	80,600	80,600	89,920
Total miscellaneous	271,800	271,800	336,102
TOTAL REVENUES	<u>\$ 49,658,220</u>	<u>\$ 51,178,220</u>	<u>\$ 51,551,524</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, 2016

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration	\$ 142,950	\$ 137,184	\$ 141,249
Village administration	3,745,375	4,320,097	4,031,450
Finance department	2,035,030	2,035,030	1,972,523
Community development - administration	900,189	810,159	734,282
Benefit payments	46,616	46,616	46,615
 Total general government	 6,870,160	 7,349,086	 6,926,119
PUBLIC SAFETY			
Community development - code enforcement	906,018	906,018	877,060
Police department	17,497,344	17,540,844	17,067,110
Fire department	14,373,987	14,598,987	14,473,302
 Total public safety	 32,777,349	 33,045,849	 32,417,472
HIGHWAYS AND STREETS			
Public works department	7,728,237	7,858,003	7,282,165
 Total highways and streets	 7,728,237	 7,858,003	 7,282,165
HEALTH			
Community development - health	161,466	251,496	160,555
WELFARE			
Human services department	1,107,503	1,117,503	1,110,590
Community development - housing	457,081	457,081	451,382
 Total welfare	 1,564,584	 1,574,584	 1,561,972
CULTURE AND RECREATION			
Public representation - community and civic services	556,424	556,424	499,208
 TOTAL EXPENDITURES	 \$ 49,658,220	 \$ 50,635,442	 \$ 48,847,491

(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, 2016

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT			
Public representation - administration			
Mayor and Board of Trustees			
Personal services	\$ 42,980	\$ 42,980	\$ 41,196
Employee benefits	12,011	12,011	10,560
Other employee costs	4,000	4,000	2,488
Contractual services	80,658	74,892	82,867
Utilities	440	440	311
Commodities and supplies	2,861	2,861	3,827
Total public representation - administration	142,950	137,184	141,249
Village administration			
Village Manager's office			
Personal services	435,215	495,215	494,086
Employee benefits	185,476	185,476	246,343
Other employee costs	8,335	8,335	15,788
Contractual services	115,777	155,777	119,100
Utilities	2,999	2,999	3,194
Commodities and supplies	5,304	5,954	6,152
Office and other equipment	200	200	200
Total Village Manager's office	753,306	853,956	884,863
Legal services			
Contractual services	555,820	858,820	851,288
Human resources			
Personal services	193,281	193,281	198,382
Employee benefits	130,712	130,712	97,220
Other employee costs	21,017	30,017	34,000
Contractual services	3,880	3,880	5,984
Commodities and supplies	713	713	804
Total human resources	349,603	358,603	336,390
Information technology			
Personal services	401,079	441,079	440,776
Employee benefits	153,032	153,032	170,582
Other employee costs	13,592	13,592	16,037
Contractual services	746,220	805,720	679,536
Utilities	5,410	5,410	5,118
Commodities and supplies	4,501	4,501	3,305
Office and other equipment	5,672	5,672	5,591
Total information technology	1,329,506	1,429,006	1,320,945

(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, 2016

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Village administration (Continued)			
Communication division			
Communications			
Personal services	\$ 60,589	\$ 63,024	\$ 76,188
Employee benefits	32,203	45,650	51,126
Other employee costs	6,763	2,296	1,783
Contractual services	145,088	86,762	32,476
Utilities	902	-	240
Commodities and supplies	1,355	-	-
Total communications	246,900	197,732	161,813
Television services			
Personal services	97,630	34,606	37,624
Employee benefits	45,650	-	-
Other employee costs	2,296	-	-
Contractual services	30,739	29,896	27,896
Utilities	1,645	1,645	1,139
Commodities and supplies	5,837	5,837	3,930
Office and other equipment	11,300	11,300	6,500
Total television services	195,097	83,284	77,089
Community engagement			
Personal services	-	60,589	63,046
Employee benefits	-	32,203	32,794
Other employee costs	-	6,763	1,811
Contractual services	-	70,169	39,590
Utilities	-	902	588
Commodities and supplies	-	1,355	47
Total communication engagement	-	171,981	137,876
Total communication division	441,997	452,997	376,778
Village Clerk's office			
Administration and support			
Personal services	132,818	132,818	133,886
Employee benefits	72,665	72,665	75,050
Other employee costs	974	974	1,510
Contractual services	29,857	29,857	19,218
Utilities	823	823	570
Commodities and supplies	1,061	1,061	615
Office equipment	-	-	1,137
Total Village Clerk's office	238,198	238,198	231,986
Computer hardware/software			
Office and other equipment	76,945	128,517	29,200
Total computer hardware/software	76,945	128,517	29,200
Total Village administration	3,745,375	4,320,097	4,031,450

(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, 2016

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Finance department			
Administration and support			
Personal services	\$ 144,167	\$ 144,167	\$ 149,461
Employee benefits	43,402	43,402	39,949
Other employee costs	19,238	19,238	16,321
Contractual services	232,578	232,578	250,690
Utilities	5,434	5,434	3,775
Commodities and supplies	23,599	23,599	23,485
Office and other equipment	22,421	22,421	22,421
Total administration and support	490,839	490,839	506,102
Accounting			
Personal services	353,444	353,444	328,355
Employee benefits	160,919	160,919	129,897
Other employee costs	1,500	1,500	955
Contractual services	4,305	4,305	2,087
Commodities and supplies	24,764	24,764	3,799
Total accounting	544,932	544,932	465,093
Insurance			
Personal services	36,135	36,135	37,626
Employee benefits	11,143	11,143	10,996
Insurance	403,228	403,228	402,912
Total insurance	450,506	450,506	451,534
Customer service			
Personal services	334,405	334,405	353,255
Employee benefits	130,891	130,891	130,551
Contractual services	69,556	69,556	57,196
Commodities and supplies	13,901	13,901	8,792
Total customer service	548,753	548,753	549,794
Total finance department	2,035,030	2,035,030	1,972,523
Community development - administration			
Administration and support			
Personal services	284,757	228,372	230,004
Employee benefits	153,936	120,291	118,235
Other employee costs	3,978	3,978	4,977
Utilities	2,190	2,190	570
Commodities and supplies	1,061	1,061	-
Total administration and support	445,922	355,892	353,786

(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, 2016

	Budget		Actual
	Original	Final	
GENERAL GOVERNMENT (Continued)			
Community development - administration (Continued)			
Planning and zoning			
Personal services	\$ 197,718	\$ 197,718	\$ 168,841
Employee benefits	88,948	88,948	71,540
Other employee costs	7,411	7,411	6,569
Contractual services	24,080	24,080	17,636
Utilities	1,273	1,273	854
Commodities and supplies	3,555	3,555	3,309
Total planning and zoning	322,985	322,985	268,749
Economic development			
Personal services	58,028	58,028	46,929
Employee benefits	15,563	15,563	12,830
Other employee costs	1,591	1,591	1,790
Contractual services	56,100	56,100	50,198
Total economic development	131,282	131,282	111,747
Total community development - administration	900,189	810,159	734,282
Benefit payments			
Contractual services	46,616	46,616	46,615
Total benefit payments	46,616	46,616	46,615
Total general government	6,870,160	7,349,086	6,926,119
PUBLIC SAFETY			
Community development - code enforcement			
Building inspections			
Personal services	322,190	322,190	323,433
Employee benefits	173,457	173,457	170,968
Other employee costs	7,753	7,753	5,424
Contractual services	384,613	384,613	361,917
Utilities	9,667	9,667	7,236
Commodities and supplies	8,338	8,338	8,082
Total community development - code enforcement	906,018	906,018	877,060
Police department			
Administration and support			
Personal services	769,572	769,572	771,081
Employee benefits	3,697,140	3,697,140	3,772,305
Other employee costs	167,197	177,197	141,096
Contractual services	97,081	108,081	76,554
Utilities	29,279	29,279	24,933
Commodities and supplies	21,424	21,424	21,139
Office and other equipment	18,000	40,500	21,428
Total administration and support	4,799,693	4,843,193	4,828,536

(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, 2016

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Records			
Personal services	\$ 333,507	\$ 333,507	\$ 314,528
Employee benefits	137,850	137,850	132,511
Total records	471,357	471,357	447,039
Patrol and traffic enforcement			
Personal services	7,156,846	7,156,846	7,115,637
Employee benefits	1,445,608	1,445,608	1,387,428
Contractual services	579,283	579,283	576,790
Commodities and supplies	89,585	89,585	70,611
Office and other equipment	7,195	7,195	5,534
Total patrol and traffic enforcement	9,278,517	9,278,517	9,156,000
Crime prevention and public services			
Personal services	127,230	127,230	128,027
Employee benefits	38,786	38,786	40,985
Other employee costs	2,500	2,500	2,500
Contractual services	4,183	4,183	456
Commodities and supplies	9,650	9,650	10,367
Total crime prevention and public services	182,349	182,349	182,335
Investigative			
Personal services	1,536,038	1,536,038	1,366,899
Employee benefits	294,500	294,500	210,749
Contractual services	40,146	40,146	27,924
Utilities	13,385	13,385	10,259
Commodities and supplies	4,165	4,165	2,299
Office and other equipment	800	800	392
Total investigative	1,889,034	1,889,034	1,618,522
Equipment maintenance			
Contractual services	843,494	837,994	813,228
Commodities and supplies	16,100	16,100	9,957
Office and other equipment	8,700	14,200	11,493
Total equipment maintenance	868,294	868,294	834,678
Computer software/hardware			
Office and other equipment	8,100	8,100	-
Total police department	17,497,344	17,540,844	17,067,110

(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, 2016

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Fire department			
Administration and support			
Personal services	\$ 619,875	\$ 619,875	\$ 617,501
Employee benefits	3,084,637	3,084,637	3,216,649
Other employee costs	80,000	81,000	53,306
Contractual services	56,220	54,785	63,200
Commodities and supplies	9,375	9,725	11,125
Office and other equipment	1,350	1,350	1,094
Total administration and support	3,851,457	3,851,372	3,962,875
Fire department operations			
Personal services	7,143,739	7,368,739	7,321,310
Employee benefits	1,276,223	1,276,223	1,285,124
Other employee costs	89,500	89,125	75,389
Contractual services	146,250	145,565	147,904
Commodities and supplies	15,240	14,740	14,296
Other expenditures	178,000	178,000	-
Office and other equipment	106,680	109,805	95,123
Total fire department operations	8,955,632	9,182,197	8,939,146
Fire prevention			
Personal services	379,709	379,709	387,542
Employee benefits	174,433	174,433	180,940
Other employee costs	5,750	5,750	5,358
Contractual services	10,500	10,057	10,056
Commodities and supplies	8,700	7,663	7,187
Total fire prevention	579,092	577,612	591,083
Communications			
Contractual services	3,650	4,650	3,314
Utilities	33,690	33,690	60,211
Commodities and supplies	1,500	1,850	1,826
Office and other equipment	8,480	7,130	6,943
Total communications	47,320	47,320	72,294
Equipment maintenance			
Contractual services	877,564	877,564	877,564
Total equipment maintenance	877,564	877,564	877,564
Emergency preparedness			
Employee benefits	-	-	199
Other employee costs	1,300	1,300	1,267
Contractual services	4,000	4,000	3,605
Commodities and supplies	6,350	6,350	3,942
Total emergency preparedness	11,650	11,650	9,013

(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, 2016

	Budget		Actual
	Original	Final	
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Paid on call			
Personal services	\$ 23,678	\$ 23,678	\$ 13,082
Employee benefits	1,324	1,324	1,001
Other employee costs	11,110	11,110	5,600
Office and other equipment	1,660	1,660	1,644
Total paid on call	37,772	37,772	21,327
Computer hardware			
Capital expenditure	13,500	13,500	-
Total fire department	14,373,987	14,598,987	14,473,302
Total public safety	32,777,349	33,045,849	32,417,472
HIGHWAYS AND STREETS			
Public works department			
Administration and support			
Personal services	310,043	310,043	279,726
Employee benefits	220,070	220,070	227,179
Other employee costs	26,863	29,763	32,244
Contractual services	1,061,168	1,066,934	1,060,960
Utilities	14,353	14,353	10,596
Commodities and supplies	15,406	15,406	16,344
Office and other equipment	1,543	1,543	1,090
Total administration and support	1,649,446	1,658,112	1,628,139
Street and buildings division			
Administration			
Personal services	106,859	106,859	76,276
Employee benefits	48,914	48,914	39,655
Utilities	3,290	3,290	3,249
Commodities and supplies	270	270	-
Total administration	159,333	159,333	119,180
Maintenance - public buildings			
Personal services	445,161	445,161	465,680
Employee benefits	181,993	181,993	182,653
Contractual services	368,637	368,637	295,408
Utilities	53,265	53,265	24,979
Commodities and supplies	120,931	120,931	114,547
Other expenditures	4,080	4,080	-
Total maintenance - public buildings	1,174,067	1,174,067	1,083,267

(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, 2016

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street and buildings division (Continued)			
Street maintenance			
Personal services	\$ 127,724	\$ 127,724	\$ 126,831
Employee benefits	55,433	55,433	49,014
Contractual services	64,604	64,604	42,078
Commodities and supplies	27,555	27,555	24,035
Total street maintenance	275,316	275,316	241,958
Snow removal			
Personal services	320,269	320,269	330,522
Employee benefits	127,469	127,469	126,583
Contractual services	122,420	119,520	53,727
Commodities and supplies	13,683	13,683	10,827
Office and other equipment	15,606	15,606	15,605
Total snow removal	599,447	596,547	537,264
Storm sewer/basin maintenance			
Personal services	67,899	67,899	71,730
Employee benefits	24,113	24,113	23,124
Contractual services	12,386	12,386	7,186
Commodities and supplies	7,675	7,675	2,351
Total storm sewer/basin maintenance	112,073	112,073	104,391
Maintenance of state highways			
Personal services	30,684	30,684	32,877
Employee benefits	13,370	13,370	13,102
Contractual services	18,828	18,828	13,944
Commodities and supplies	30,439	30,439	25,878
Total maintenance of state highways	93,321	93,321	85,801
Traffic sign maintenance			
Personal services	81,138	81,138	89,055
Employee benefits	29,454	29,454	31,122
Commodities and supplies	24,509	24,509	24,445
Total traffic sign maintenance	135,101	135,101	144,622
Total street and buildings division	2,548,658	2,545,758	2,316,483
Forestry division			
Administration and support			
Personal services	101,404	101,404	96,692
Employee benefits	36,580	36,580	34,337
Commodities and supplies	450	450	-
Total administration and support	138,434	138,434	131,029

(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, 2016

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Forestry division (Continued)			
Maintenance of grounds			
Personal services	\$ 253,856	\$ 253,856	\$ 252,779
Employee benefits	92,015	92,015	92,236
Contractual services	135,001	135,001	106,618
Commodities and supplies	9,185	9,185	8,986
Office and other equipment	47,223	47,223	41,559
Total maintenance of grounds	537,280	537,280	502,178
Forestry program			
Personal services	336,222	336,222	345,489
Employee benefits	142,379	142,379	146,382
Other employee costs	6,212	6,212	6,209
Contractual services	446,489	446,489	373,287
Utilities	3,290	3,290	3,560
Commodities and supplies	11,356	11,356	10,456
Total forestry program	945,948	945,948	885,383
Public grounds beautification			
Personal services	28,112	28,112	28,649
Employee benefits	9,650	9,650	9,657
Contractual services	2,547	2,547	1,233
Commodities and supplies	34,161	34,161	21,355
Total public grounds beautification	74,470	74,470	60,894
Total forestry division	1,696,132	1,696,132	1,579,484
Engineering division			
Engineering services			
Personal services	637,361	637,361	634,329
Employee benefits	221,477	221,477	229,796
Other employee costs	3,770	3,770	3,767
Contractual services	58,947	62,947	77,232
Utilities	5,098	5,098	4,674
Commodities and supplies	5,656	5,656	5,585
Office and other equipment	2,315	2,315	1,998
Total engineering services	934,624	938,624	957,381
Traffic control and street lighting			
Personal services	126,410	126,410	125,018
Employee benefits	51,378	51,378	51,313
Contractual services	10,506	10,506	9,299
Utilities	78,529	78,529	55,789
Commodities and supplies	26,465	26,465	25,934
Total traffic control and street lighting	293,288	293,288	267,353
Total engineering division	1,227,912	1,231,912	1,224,734

(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, 2016

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS (Continued)			
Capital expenditures			
Infrastructure			
Resurfacing/curbs	\$ 228,400	\$ 348,400	\$ 263,545
Miscellaneous - forestry	377,689	377,689	269,780
Total capital expenditures	606,089	726,089	533,325
Total highways and streets	7,728,237	7,858,003	7,282,165
HEALTH			
Community development - health			
Health inspections			
Personal services	98,980	155,365	97,547
Employee benefits	47,748	81,393	52,903
Other employee costs	1,395	1,395	795
Contractual services	9,095	9,095	7,281
Utilities	1,897	1,897	456
Commodities and supplies	2,351	2,351	1,573
Total health	161,466	251,496	160,555
WELFARE			
Human services department			
Administration and support			
Personal services	138,221	138,221	141,513
Employee benefits	91,524	91,524	89,960
Other employee costs	1,424	1,424	1,067
Contractual services	15,620	15,620	9,841
Utilities	6,971	6,971	3,984
Commodities and supplies	8,227	8,227	5,888
Office and other equipment	504	504	386
Total administration and support	262,491	262,491	252,639
Social services			
Personal services	224,134	224,134	220,234
Employee benefits	87,971	87,971	85,813
Other employee costs	2,494	2,494	1,968
Commodities and supplies	510	510	53
Total social services	315,109	315,109	308,068
Nursing/health services			
Personal services	106,082	106,082	106,715
Employee benefits	50,132	50,132	51,148
Other employee costs	803	803	200
Contractual services	403	403	-
Commodities and supplies	3,925	3,925	2,092
Total nursing/health services	161,345	161,345	160,155

(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, 2016

	Budget		Actual
	Original	Final	
WELFARE (Continued)			
Human services department (Continued)			
Community Connections Center			
Personal services	\$ 196,649	\$ 196,649	\$ 204,819
Employee benefits	66,531	66,531	88,948
Other employee costs	1,320	1,320	569
Contractual services	96,763	107,038	91,531
Utilities	4,953	4,953	2,618
Commodities and supplies	2,342	2,067	1,243
Total Community Connections Center	368,558	378,558	389,728
Total human services department	1,107,503	1,117,503	1,110,590
Community development - housing			
Housing inspections			
Personal services	262,918	262,918	272,959
Employee benefits	114,211	114,211	120,227
Other employee costs	5,191	5,191	3,842
Contractual services	64,742	64,742	49,545
Utilities	5,194	5,194	456
Commodities and supplies	4,825	4,825	4,353
Total community development - housing	457,081	457,081	451,382
Total welfare	1,564,584	1,574,584	1,561,972
CULTURE AND RECREATION			
Community groups and miscellaneous			
Contractual services	132,226	132,226	126,320
Other expenditures	7,283	7,283	4,263
Total community groups and miscellaneous	139,509	139,509	130,583
Public relations - community and civic services			
4th of July and civic events			
Personal services	128,841	128,841	142,917
Employee benefits	47,494	47,494	41,892
Contractual services	58,190	53,290	36,508
Commodities and supplies	39,761	44,661	38,193
Total 4th of July and civic events	274,286	274,286	259,510
Centennial commission			
Contractual services	29,384	29,384	27,884
Commodities and supplies	25,000	25,000	12,293
Total centennial commission	54,384	54,384	40,177

(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, 2016

	Budget		Actual
	Original	Final	
CULTURE AND RECREATION (Continued)			
Public relations - community and civic services (Continued)			
Holiday decorations			
Personal services	\$ 9,537	\$ 9,537	\$ 8,507
Employee benefits	2,615	2,615	2,500
Contractual services	49,761	49,761	40,465
Commodities and supplies	22,816	22,816	14,530
Total holiday decorations	84,729	84,729	66,002
Blood drive program			
Personal services	1,844	1,844	1,843
Employee benefits	142	142	141
Commodities and supplies	1,530	1,530	952
Total blood drive program	3,516	3,516	2,936
Total culture and recreation	556,424	556,424	499,208
TOTAL EXPENDITURES	\$ 49,658,220	\$ 50,635,442	\$ 48,847,491

(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, 2016

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Single-family service charges	\$ 3,196,000	\$ 3,196,000	\$ 3,200,181
Multi-family service charges	984,000	984,000	941,320
Single-family penalties	28,000	28,000	32,627
Multi-family penalties	6,000	6,000	4,167
Contract administrative fees	174,000	174,000	191,511
Refuse stickers	200,000	200,000	194,275
Recycling bins	500	500	825
Total charges for services	<u>4,588,500</u>	<u>4,588,500</u>	<u>4,564,906</u>
INVESTMENT INCOME	<u>500</u>	<u>500</u>	<u>2,315</u>
MISCELLANEOUS	<u>11,000</u>	<u>11,000</u>	<u>30,216</u>
TOTAL OPERATING REVENUES	<u>\$ 4,600,000</u>	<u>\$ 4,600,000</u>	<u>\$ 4,597,437</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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property - levy	\$ 2,272,000	\$ 2,272,000	\$ 2,272,000
Other taxes			
Home rule sales tax	1,000,368	1,000,368	1,000,368
Investment income	100	100	2,480
Intergovernmental revenue	1,714,543	1,714,543	1,715,633
Total revenues	4,987,011	4,987,011	4,990,481
EXPENDITURES			
Debt service			
Principal retirement	3,243,840	3,248,840	3,243,840
Interest and fiscal charges	1,734,347	1,835,847	2,017,192
Total expenditures	4,978,187	5,084,687	5,261,032
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,824	(97,676)	(270,551)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	8,735,000	17,835,000
Premium on bonds issued	-	405,000	1,022,839
Payment to escrow agent	-	(9,045,000)	(18,573,342)
Total other financing sources (uses)	-	95,000	284,497
NET CHANGE IN FUND BALANCE	\$ 8,824	\$ (2,676)	13,946
FUND BALANCE, JANUARY 1			154,206
FUND BALANCE, DECEMBER 31			\$ 168,152

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

NONMAJOR CAPITAL PROJECTS FUNDS

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

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.

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2016

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and investments	\$ 4,399,893	\$ 2,794,596	\$ 7,194,489
Receivables			
Other taxes	219,938	852,195	1,072,133
Other	76,805	2,998	79,803
Due from other governments	628,374	-	628,374
Prepaid items	3,934	-	3,934
TOTAL ASSETS	\$ 5,328,944	\$ 3,649,789	\$ 8,978,733
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,611,915	\$ 210,973	\$ 1,822,888
Accrued payroll	1,359	-	1,359
Retainage payable	775	214,370	215,145
Due from other funds	735,763	-	735,763
Unearned revenue	545,426	-	545,426
Total liabilities	2,895,238	425,343	3,320,581
FUND BALANCES			
Nonspendable			
Prepaid items	3,934	-	3,934
Restricted			
Highways and streets	2,465,482	-	2,465,482
Public safety - police	314,541	-	314,541
Public safety - fire	338,465	-	338,465
Assigned			
Capital projects	-	3,224,446	3,224,446
Unassigned (deficit)	(688,716)	-	(688,716)
Total fund balances	2,433,706	3,224,446	5,658,152
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,328,944	\$ 3,649,789	\$ 8,978,733

(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, 2016

	Special Revenue	Capital Projects	Total
REVENUES			
Property taxes	\$ -	\$ 2,274,278	\$ 2,274,278
Other taxes	1,642,952	3,891,040	5,533,992
Licenses, permits and fees	-	1,650,671	1,650,671
Intergovernmental	1,861,023	272,838	2,133,861
Investment income	8,431	14,166	22,597
Other reimbursements	-	35,000	35,000
Miscellaneous	90,410	93,088	183,498
	<hr/>		
Total revenues	3,602,816	8,231,081	11,833,897
EXPENDITURES			
Current			
General government	2,509,482	-	2,509,482
Public safety	95,140	-	95,140
Highways and streets	866,531	-	866,531
Welfare	432,946	-	432,946
Capital outlay	-	10,718,553	10,718,553
	<hr/>		
Total expenditures	3,904,099	10,718,553	14,622,652
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(301,283)	(2,487,472)	(2,788,755)
OTHER FINANCING SOURCES (USES)			
Transfers in	664,544	973,382	1,637,926
Transfers (out)	(397,301)	-	(397,301)
	<hr/>		
Total other financing sources (uses)	267,243	973,382	1,240,625
NET CHANGE IN FUND BALANCES			
	(34,040)	(1,514,090)	(1,548,130)
FUND BALANCES, JANUARY 1			
	2,467,746	4,738,536	7,206,282
<hr/>			
FUND BALANCES, DECEMBER 31	\$ 2,433,706	\$ 3,224,446	\$ 5,658,152

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2016

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
ASSETS				
Cash and investments	\$ 2,364,388	\$ -	\$ 168,408	\$ 20,013
Receivables				
Other taxes	128,499	-	-	-
Other	1,170	-	-	-
Due from other governments	4,923	618,780	4,671	-
Prepaid items	-	721	-	-
TOTAL ASSETS	\$ 2,498,980	\$ 619,501	\$ 173,079	\$ 20,013
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 33,498	\$ 24,173	\$ -	\$ -
Accrued payroll	-	1,359	-	-
Retainage payable	-	775	-	-
Due to other funds	-	47,768	-	-
Unearned revenue	-	545,426	-	-
Total liabilities	33,498	619,501	-	-
FUND BALANCES				
Nonspendable				
Prepaid items	-	721	-	-
Restricted				
Highways and streets	2,465,482	-	-	-
Public safety - police	-	-	173,079	20,013
Public safety - fire	-	-	-	-
Unassigned (deficit)	-	(721)	-	-
Total fund balances (deficit)	2,465,482	-	173,079	20,013
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,498,980	\$ 619,501	\$ 173,079	\$ 20,013

DUI Fines	Foreign Fire Insurance	Business District	Prospect/Main TIF	Total
\$ 117,758	\$ 328,143	\$ 1,401,183	\$ -	\$ 4,399,893
-	-	91,439	-	219,938
3,691	10,322	61,622	-	76,805
-	-	-	-	628,374
-	3,213	-	-	3,934
\$ 121,449	\$ 341,678	\$ 1,554,244	\$ -	\$ 5,328,944
\$ -	\$ -	\$ 1,554,244	\$ -	\$ 1,611,915
-	-	-	-	1,359
-	-	-	-	775
-	-	-	687,995	735,763
-	-	-	-	545,426
-	-	1,554,244	687,995	2,895,238
-	3,213	-	-	3,934
-	-	-	-	2,465,482
121,449	-	-	-	314,541
-	338,465	-	-	338,465
-	-	-	(687,995)	(688,716)
121,449	341,678	-	(687,995)	2,433,706
\$ 121,449	\$ 341,678	\$ 1,554,244	\$ -	\$ 5,328,944

(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, 2016

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	Federal Equitable Share
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,379,126	362,551	85,136	-
Investment income	5,196	-	220	62
Miscellaneous	20,015	70,395	-	-
Total revenues	1,404,337	432,946	85,356	62
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	4,932	-
Highways and streets	866,531	-	-	-
Welfare	-	432,946	-	-
Total expenditures	866,531	432,946	4,932	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	537,806	-	80,424	62
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	537,806	-	80,424	62
FUND BALANCES, JANUARY 1	1,927,676	-	92,655	19,951
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 2,465,482	\$ -	\$ 173,079	\$ 20,013

DUI Fines	Foreign Fire Insurance	Business District	Prospect/Main TIF	Total
\$ -	\$ 90,673	\$ 1,552,279	\$ -	\$ 1,642,952
34,210	-	-	-	1,861,023
175	813	1,965	-	8,431
-	-	-	-	90,410
34,385	91,486	1,554,244	-	3,602,816
-	-	2,218,788	290,694	2,509,482
37,671	52,537	-	-	95,140
-	-	-	-	866,531
-	-	-	-	432,946
37,671	52,537	2,218,788	290,694	3,904,099
(3,286)	38,949	(664,544)	(290,694)	(301,283)
-	-	664,544	-	664,544
-	-	-	(397,301)	(397,301)
-	-	664,544	(397,301)	267,243
(3,286)	38,949	-	(687,995)	(34,040)
124,735	302,729	-	-	2,467,746
\$ 121,449	\$ 341,678	\$ -	\$ (687,995)	\$ 2,433,706

(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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 1,225,000	\$ 1,225,000	\$ 1,379,126
Investment income	500	500	5,196
Miscellaneous	12,000	12,000	20,015
	<hr/>		
Total revenues	1,237,500	1,237,500	1,404,337
	<hr/>		
EXPENDITURES			
Highways and streets			
Street division	2,111,834	2,209,091	866,531
	<hr/>		
Total expenditures	2,111,834	2,209,091	866,531
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (874,334)	\$ (971,591)	537,806
	<hr/>		
FUND BALANCE, JANUARY 1			1,927,676
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 2,465,482
	<hr/>		

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
HIGHWAYS AND STREETS			
Public works department			
Street division			
Street maintenance			
Contractual services	\$ 120,163	\$ 120,163	\$ 120,073
Total street maintenance	120,163	120,163	120,073
Snow removal			
Contractual services	78,030	78,030	77,830
Commodities and supplies	462,273	462,273	358,112
Total snow removal	540,303	540,303	435,942
Traffic control/street lighting			
Contractual services	92,187	92,187	65,923
Utilities	159,181	159,181	159,181
Total traffic control/street lighting	251,368	251,368	225,104
Street improvement projects			
Building improvements	600,000	600,000	-
Infrastructure	600,000	697,257	85,412
Total street improvement projects	1,200,000	1,297,257	85,412
TOTAL EXPENDITURES	\$ 2,111,834	\$ 2,209,091	\$ 866,531

(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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Grant - CDBG	\$ 527,104	\$ 375,766	\$ 362,551
Miscellaneous			
Program income	60,000	60,000	70,395
	<hr/>	<hr/>	<hr/>
Total revenues	587,104	435,766	432,946
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Welfare			
Administration	48,276	48,276	62,593
Community programs	55,000	45,439	45,437
Residential rehabilitation	483,828	342,051	324,916
	<hr/>	<hr/>	<hr/>
Total expenditures	587,104	435,766	432,946
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
FUND BALANCE, JANUARY 1			<hr/> -
FUND BALANCE, DECEMBER 31			<hr/> <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, 2016

	Budget		Actual
	Original	Final	
WELFARE			
Administration and support			
Personal services	\$ 26,680	\$ 26,680	\$ 34,644
Employee benefits	14,265	14,265	23,526
Other employee costs	1,060	1,060	201
Contractual services	5,741	5,741	4,222
Commodities and supplies	530	530	-
Total administration and support	<u>48,276</u>	<u>48,276</u>	<u>62,593</u>
Community programs			
Contractual services	<u>55,000</u>	<u>45,439</u>	<u>45,437</u>
Total community programs	<u>55,000</u>	<u>45,439</u>	<u>45,437</u>
Residential rehabilitation			
Personal services	23,345	23,345	15,572
Employee benefits	12,483	12,483	3,041
Contractual services	<u>448,000</u>	<u>306,223</u>	<u>306,303</u>
Total residential rehabilitation	<u>483,828</u>	<u>342,051</u>	<u>324,916</u>
TOTAL EXPENDITURES	<u>\$ 587,104</u>	<u>\$ 435,766</u>	<u>\$ 432,946</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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Seized assets	\$ 15,000	\$ 80,000	\$ 85,136
Investment income	100	100	220
Total revenues	15,100	80,100	85,356
EXPENDITURES			
Public safety			
Other employee costs	1,000	1,000	-
Contractual services	3,000	3,000	2,000
Equipment	3,000	3,000	2,932
Total expenditures	7,000	7,000	4,932
NET CHANGE IN FUND BALANCE	<u>\$ 8,100</u>	<u>\$ 73,100</u>	80,424
FUND BALANCE, JANUARY 1			<u>92,655</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 173,079</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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
Federal equitable shared funds	\$ 100	\$ 100	\$ -
Investment income	100	100	62
	<hr/>		
Total revenues	200	200	62
	<hr/>		
EXPENDITURES			
Public safety			
Contractual services	1,000	1,000	-
Equipment	1,000	1,000	-
	<hr/>		
Total expenditures	2,000	2,000	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,800)</u>	<u>\$ (1,800)</u>	62
FUND BALANCE, JANUARY 1			<u>19,951</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 20,013</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Intergovernmental			
DUI fines	\$ 20,000	\$ 30,000	\$ 34,210
Investment income	100	100	175
Total revenues	<u>20,100</u>	<u>30,100</u>	<u>34,385</u>
EXPENDITURES			
Public safety			
Patrol and traffic enforcement			
Other employee costs	1,000	11,000	10,343
Contractual services	-	15,000	11,255
Equipment	1,000	16,000	16,073
Total expenditures	<u>2,000</u>	<u>42,000</u>	<u>37,671</u>
NET CHANGE IN FUND BALANCE	<u>\$ 18,100</u>	<u>\$ (11,900)</u>	(3,286)
FUND BALANCE, JANUARY 1			<u>124,735</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 121,449</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Foreign fire insurance tax	\$ 70,000	\$ 80,000	\$ 90,673
Investment income	100	100	813
	<hr/>		
Total revenues	70,100	80,100	91,486
	<hr/>		
EXPENDITURES			
Public safety			
Insurance	500	500	-
Contractual services	15,000	25,000	22,444
Commodities and supplies	5,000	5,000	832
Equipment	30,000	30,000	29,261
	<hr/>		
Total expenditures	50,500	60,500	52,537
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 19,600</u>	<u>\$ 19,600</u>	38,949
FUND BALANCE, JANUARY 1			<u>302,729</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 341,678</u></u>

(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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Food and beverage tax	\$ 367,000	\$ 367,000	\$ 392,217
Hotel/motel tax	250,000	250,000	228,688
Movie theatre tax	112,000	112,000	110,034
Business district tax	368,000	368,000	341,340
State sales tax	-	480,000	480,000
Investment income	100	100	1,965
Total revenues	<u>1,097,100</u>	<u>1,577,100</u>	<u>1,554,244</u>
EXPENDITURES			
General government	<u>1,097,100</u>	<u>2,242,100</u>	<u>2,218,788</u>
Total expenditures	<u>1,097,100</u>	<u>2,242,100</u>	<u>2,218,788</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(665,000)</u>	<u>(664,544)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>665,000</u>	<u>664,544</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ -</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
General government			
Contractual services	-	284,572	284,572
Other expenditures	-	5,220	6,122
Total expenditures	-	289,792	290,694
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(289,792)	(290,694)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(397,301)
NET CHANGE IN FUND BALANCE	\$ -	\$ (289,792)	(687,995)
FUND BALANCE, JANUARY 1			-
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (687,995)

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2016

	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Total
ASSETS					
Cash and investments	\$ 906,154	\$ -	\$ 1,674,141	\$ 214,301	\$ 2,794,596
Receivables					
Other taxes	394,238	-	394,606	63,351	852,195
Other	-	-	2,998	-	2,998
TOTAL ASSETS	\$ 1,300,392	\$ -	\$ 2,071,745	\$ 277,652	\$ 3,649,789
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 161,328	\$ -	\$ 26,349	\$ 23,296	\$ 210,973
Retainage payable	188,106	-	26,264	-	214,370
Total liabilities	349,434	-	52,613	23,296	425,343
FUND BALANCES					
Unrestricted					
Assigned					
Capital projects	950,958	-	2,019,132	254,356	3,224,446
Total fund balances	950,958	-	2,019,132	254,356	3,224,446
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,300,392	\$ -	\$ 2,071,745	\$ 277,652	\$ 3,649,789

(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, 2016

	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Total
REVENUES					
Taxes					
Property	\$ -	\$ 2,274,278	\$ -	\$ -	\$ 2,274,278
Other	1,405,000	-	405,000	2,081,040	3,891,040
Licenses, permits, and fees	-	-	-	1,650,671	1,650,671
Intergovernmental	-	272,838	-	-	272,838
Investment income	5,148	1,353	6,563	1,102	14,166
Other reimbursements	-	-	35,000	-	35,000
Miscellaneous	13,275	-	39,775	40,038	93,088
Total revenues	1,423,423	2,548,469	486,338	3,772,851	8,231,081
EXPENDITURES					
Capital outlay	2,737,164	3,074,522	1,110,761	3,796,106	10,718,553
Total expenditures	2,737,164	3,074,522	1,110,761	3,796,106	10,718,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,313,741)	(526,053)	(624,423)	(23,255)	(2,487,472)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	973,382	-	-	973,382
NET CHANGE IN FUND BALANCES	(1,313,741)	447,329	(624,423)	(23,255)	(1,514,090)
FUND BALANCES (DEFICIT), JANUARY 1	2,264,699	(447,329)	2,643,555	277,611	4,738,536
FUND BALANCES, DECEMBER 31	\$ 950,958	\$ -	\$ 2,019,132	\$ 254,356	\$ 3,224,446

(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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,405,000	\$ 1,405,000	\$ 1,405,000
Investment income	500	500	5,148
Miscellaneous			
Donations	10,000	10,000	13,275
	<hr/>		
Total revenues	1,415,500	1,415,500	1,423,423
	<hr/>		
EXPENDITURES			
Capital outlay			
Equipment	196,000	525,672	349,017
Building improvements	1,590,000	1,733,126	1,615,320
Infrastructure	770,000	1,243,122	748,832
Contractual services	25,000	46,000	23,995
	<hr/>		
Total expenditures	2,581,000	3,547,920	2,737,164
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (1,165,500)</u>	<u>\$ (2,132,420)</u>	(1,313,741)
FUND BALANCE, JANUARY 1			<u>2,264,699</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 950,958</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2016

	<u>Budget</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
EXPENDITURES			
Equipment			
Computer software - Microsoft Office Suite	\$ 85,000	\$ 85,000	\$ 7,860
Wireless connectivity - other public facilities	39,000	39,000	27,301
Telephone system - village hall	27,000	27,000	-
Security cameras	-	-	19,260
Desktop virtualization	-	95,000	-
Door access control system	-	-	7,166
Board room cameras	-	44,700	44,694
Financial software	-	-	12,168
Fire hose and appliances	25,000	25,000	21,539
Paramedic equipment	20,000	20,000	19,967
Radio equipment - police/fire/public works	-	189,972	189,062
	<hr/>	<hr/>	<hr/>
Total equipment	196,000	525,672	349,017
Building improvements			
Firing range	-	78,126	78,126
Roof repair	1,075,000	1,140,000	469,087
Salt storage building	100,000	100,000	738,296
HVAC replacements	50,000	50,000	-
Contractual services - brick sidewalks	75,000	75,000	69,215
Emergency vehicle preemption system	135,000	135,000	108,118
Other public building improvements	155,000	155,000	152,478
	<hr/>	<hr/>	<hr/>
Total building improvements	1,590,000	1,733,126	1,615,320
Infrastructure			
D/T Streetscape Program	-	88,213	-
Residential street lights	60,000	60,000	57,541
Jogging path	512,000	788,823	583,485
Kensington road improvement	68,000	88,086	-
Detention pond improvements	-	30,000	-
Other infrastructure - parking	-	58,000	2,000
Bike route sign project	130,000	130,000	105,806
	<hr/>	<hr/>	<hr/>
Total infrastructure	770,000	1,243,122	748,832
Contractual services			
Needs studies - traffic study/improvements	25,000	25,000	-
Needs studies - space needs study	-	21,000	23,995
	<hr/>	<hr/>	<hr/>
Total contractual services	25,000	46,000	23,995
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 2,581,000	\$ 3,547,920	\$ 2,737,164

(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, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Property taxes - other			
Tax increment	\$ 2,998,000	\$ 2,738,000	\$ 2,274,278
Intergovernmental	-	260,000	272,838
Investment income	500	500	1,353
	<hr/>		
Total revenues	2,998,500	2,998,500	2,548,469
	<hr/>		
EXPENDITURES			
Capital outlay			
Public improvements			
Contractual services	79,078	89,286	77,199
Public improvements	3,297,789	3,297,789	2,989,441
Infrastructure	10,404	164,262	7,882
	<hr/>		
Total expenditures	3,387,271	3,551,337	3,074,522
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(388,771)	(552,837)	(526,053)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	973,382
	<hr/>		
Total other financing sources (uses)	-	-	973,382
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (388,771)	\$ (552,837)	447,329
	<hr/>		
FUND BALANCE, JANUARY 1			(447,329)
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ -
	<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, 2016

	Budget		Actual
	Original	Final	
CAPITAL OUTLAY			
Public improvements			
Contractual services			
Audit services	\$ 1,900	\$ 1,900	\$ 1,900
Other professional services	10,000	15,428	12,161
Demolition expense	-	4,780	904
Streetscape corridor maintenance	67,178	67,178	62,234
Total contractual services	79,078	89,286	77,199
Public improvements			
Property tax expense	8,000	8,000	7,864
Downtown pedestrian improvement	265,000	265,000	17,784
Downtown wayfinding signage	165,000	165,000	170,817
Return of increment Cook County Collection	2,759,789	2,759,789	2,759,289
Facade program	100,000	100,000	33,687
Total public improvements	3,297,789	3,297,789	2,989,441
Infrastructure			
Downtown streetscape program	-	153,858	1,702
Brick sidewalk	10,404	10,404	6,180
Total infrastructure	10,404	164,262	7,882
TOTAL EXPENDITURES	\$ 3,387,271	\$ 3,551,337	\$ 3,074,522

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Taxes			
Other taxes			
Home rule sales tax	\$ 405,000	\$ 405,000	\$ 405,000
Miscellaneous			
Fees	40,000	40,000	39,775
Other reimbursements	-	35,000	35,000
Investment income	2,000	2,000	6,563
Total revenues	<u>447,000</u>	<u>482,000</u>	<u>486,338</u>
EXPENDITURES			
Capital outlay			
Public improvements			
Infrastructure	832,100	1,759,725	1,106,555
Other	7,446	7,446	4,206
Total expenditures	<u>839,546</u>	<u>1,767,171</u>	<u>1,110,761</u>
NET CHANGE IN FUND BALANCE	<u>\$ (392,546)</u>	<u>\$ (1,285,171)</u>	(624,423)
FUND BALANCE, JANUARY 1			<u>2,643,555</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,019,132</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FLOOD CONTROL CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
CAPITAL OUTLAY			
Public improvements			
Infrastructure			
Levee repairs	\$ 42,000	\$ 42,000	\$ 20,340
Levee supplies	5,100	5,100	-
Creek bank stabilization	25,000	25,000	8,005
Creek tree trimming	25,000	25,000	20,441
Private property drainage	100,000	191,360	145,916
Prospect Meadows flood improvements	-	220,000	210,313
Hydraulic analysis	-	48,000	40,026
Storm sewer inspection program	100,000	100,000	75,474
Emergency pumping - levee 37	85,000	85,000	-
Storm sewer improvements	450,000	450,000	308,351
Isabella combined sewer improvements	-	568,265	277,689
Total infrastructure	832,100	1,759,725	1,106,555
Other			
Electricity	2,346	2,346	2,206
Residential reimbursements	5,100	5,100	2,000
Total other	7,446	7,446	4,206
TOTAL EXPENDITURES	\$ 839,546	\$ 1,767,171	\$ 1,110,761

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
REVENUES			
Other taxes			
Home rule sales tax	\$ 1,405,000	\$ 1,405,000	\$ 1,405,000
Municipal motor fuel tax	675,000	675,000	676,040
License fees	1,670,000	1,670,000	1,650,671
Investment income	1,500	1,500	1,102
Miscellaneous income	10,000	45,000	40,038
Total revenues	<u>3,761,500</u>	<u>3,796,500</u>	<u>3,772,851</u>
EXPENDITURES			
Capital outlay			
Contractual services	37,000	37,000	26,430
Infrastructure			
Street resurfacing	<u>3,594,000</u>	<u>3,867,000</u>	<u>3,769,676</u>
Total expenditures	<u>3,631,000</u>	<u>3,904,000</u>	<u>3,796,106</u>
NET CHANGE IN FUND BALANCE	<u>\$ 130,500</u>	<u>\$ (107,500)</u>	(23,255)
FUND BALANCE, JANUARY 1			<u>277,611</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 254,356</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 14,039,500	\$ 13,119,500	\$ 12,931,867
Total operating revenues	14,039,500	13,119,500	12,931,867
OPERATING EXPENSES			
Administration and maintenance	14,610,178	15,575,390	15,445,931
Depreciation	-	-	604,661
Total operating expenses	14,610,178	15,575,390	16,050,592
OPERATING INCOME (LOSS)	(570,678)	(2,455,890)	(3,118,725)
NON-OPERATING REVENUES (EXPENSES)			
Property taxes	1,530,000	1,530,000	1,524,901
Loss on the sale of capital assets	-	-	(4,032)
Investment income	2,100	2,100	13,263
Other income	98,000	98,000	90,810
Total non-operating revenues (expenses)	1,630,100	1,630,100	1,624,942
INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	1,059,422	(825,790)	(1,493,783)
CAPITAL GRANTS AND CONTRIBUTIONS	-	-	244,423
CHANGE IN NET POSITION	\$ 1,059,422	\$ (825,790)	(1,249,360)
NET POSITION, JANUARY 1			41,273,710
Change in accounting principle			586,300
NET POSITION, JANUARY 1, RESTATED			41,860,010
NET POSITION, DECEMBER 31			\$ 40,610,650

(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, 2016

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
Water sales	\$ 11,050,000	\$ 10,150,000	\$ 10,135,751
Sewer fees	2,137,000	2,117,000	1,933,012
Sewer construction charge	684,000	684,000	682,905
Water penalties	100,000	100,000	75,011
Water meter fees	20,000	20,000	20,220
Water and sewer taps	20,000	20,000	35,900
Sewer penalties	28,000	28,000	20,657
Miscellaneous	500	500	28,411
TOTAL OPERATING REVENUES	\$ 14,039,500	\$ 13,119,500	\$ 12,931,867

(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, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Administration and support			
Personal services	\$ 417,692	\$ 417,692	\$ 444,874
Employee benefits	240,858	240,858	398,814
Other employee costs	38,141	38,141	38,150
Contractual services	478,413	478,413	482,496
Utilities	45,526	45,526	40,589
Insurance	97,471	97,471	97,471
Commodities and supplies	12,776	12,776	10,867
Capital expenditures	5,219	5,219	1,799
Total administration and support	1,336,096	1,336,096	1,515,060
Maintenance of buildings			
Personal services	160,863	160,863	169,195
Employee benefits	75,955	75,955	100,292
Contractual services	17,166	17,166	9,745
Utilities	6,242	6,242	3,685
Commodities and supplies	1,561	1,561	234
Total maintenance of buildings	261,787	261,787	283,151
Maintenance of grounds			
Personal services	66,452	66,452	64,168
Employee benefits	21,050	21,050	30,041
Contractual services	33,584	33,584	31,577
Commodities and supplies	6,153	6,153	6,119
Total maintenance of grounds	127,239	127,239	131,905
Water supply maintenance and repair			
Personal services	407,280	407,280	404,699
Employee benefits	156,547	156,547	223,789
Contractual services	150,246	150,246	90,134
Utilities	88,434	88,434	65,332
Commodities and supplies	82,722	82,722	56,922
Total water supply maintenance and repair	885,229	885,229	840,876

(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, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water distribution maintenance and repair			
Personal services	\$ 292,116	\$ 292,116	\$ 303,185
Employee benefits	91,099	91,099	137,265
Contractual services	248,464	248,464	200,445
Commodities and supplies	77,346	77,346	51,194
Capital expenditures	1,020	1,020	723
Total water distribution maintenance and repair	<u>710,045</u>	<u>710,045</u>	<u>692,812</u>
Water valve and hydrant maintenance			
Personal services	288,039	288,039	270,910
Employee benefits	108,522	108,522	133,891
Contractual services	46,513	46,513	37,328
Commodities and supplies	86,187	86,187	82,579
Total water valve and hydrant maintenance	<u>529,261</u>	<u>529,261</u>	<u>524,708</u>
Water meter installation, repair, and replacement			
Personal services	174,298	174,298	178,165
Employee benefits	50,326	50,326	90,234
Contractual services	111,135	111,135	47,840
Commodities and supplies	3,238	3,238	1,359
Capital expenditures	40,000	40,000	22,653
Total water meter installation, repair, and replacement	<u>378,997</u>	<u>378,997</u>	<u>340,251</u>
Equipment maintenance			
Contractual services	<u>868,050</u>	<u>868,050</u>	<u>868,050</u>
Sanitary sewer maintenance and repair			
Personal services	235,421	235,421	238,522
Employee benefits	85,326	85,326	135,412
Contractual services	169,912	169,912	140,491
Utilities	23,929	23,929	11,282
Commodities and supplies	27,886	27,886	24,476
Total sanitary sewer maintenance and repair	<u>542,474</u>	<u>542,474</u>	<u>550,183</u>

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
(Continued)			
Water system improvements			
Capital expenditures	\$ 1,510,000	\$ 2,855,212	\$ 2,475,011
Less capital expenditures capitalized	(350,000)	(350,000)	(425,773)
Total water system improvements	<u>1,160,000</u>	<u>2,505,212</u>	<u>2,049,238</u>
Sanitary system improvements			
Capital expenditures	1,675,000	1,675,000	1,417,116
Less capital expenditures capitalized	(875,000)	(875,000)	(204,207)
Total sanitary system improvements	<u>800,000</u>	<u>800,000</u>	<u>1,212,909</u>
Improvements to public buildings			
Capital expenditures	65,000	65,000	61,581
Total improvements to public buildings	<u>65,000</u>	<u>65,000</u>	<u>61,581</u>
Lake Michigan water acquisition			
Contractual services	6,946,000	6,566,000	6,375,207
Total Lake Michigan water acquisition	<u>6,946,000</u>	<u>6,566,000</u>	<u>6,375,207</u>
Total administration and maintenance	14,610,178	15,575,390	15,445,931
Depreciation	-	-	604,661
TOTAL OPERATING EXPENSES	<u>\$ 14,610,178</u>	<u>\$ 15,575,390</u>	<u>\$ 16,050,592</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, 2016

	Parking System Revenue	Village Parking System	Total
CURRENT ASSETS			
Cash and investments	\$ 174,557	\$ 253,703	\$ 428,260
Total current assets	174,557	253,703	428,260
CAPITAL ASSETS			
Capital assets not being depreciated	-	232,354	232,354
Capital assets being depreciated, cost	364,800	-	364,800
Accumulated depreciation	(364,800)	-	(364,800)
Net capital assets	-	232,354	232,354
Total assets	174,557	486,057	660,614
CURRENT LIABILITIES			
Accounts payable	11,998	9,722	21,720
Accrued payroll	884	1,207	2,091
Unearned revenues	17,440	23,500	40,940
Compensated absences payable	429	566	995
Total current liabilities	30,751	34,995	65,746
LONG-TERM LIABILITIES			
Compensated absences payable	1,714	2,265	3,979
Net other postemployment benefits obligation	2,119	392	2,511
Total long-term liabilities	3,833	2,657	6,490
Total liabilities	34,584	37,652	72,236
NET POSITION			
Investment in capital assets	-	232,354	232,354
Unrestricted	139,973	216,051	356,024
TOTAL NET POSITION	\$ 139,973	\$ 448,405	\$ 588,378

(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, 2016

	Parking System Revenue	Village Parking System	Total
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 138,743	\$ 162,888	\$ 301,631
Rental fees	-	6,600	6,600
Miscellaneous	4,781	18,980	23,761
Convenience fees	738	1,372	2,110
	<hr/>		
Total operating revenues	144,262	189,840	334,102
	<hr/>		
OPERATING EXPENSES			
Administration, maintenance, and improvements	136,695	253,423	390,118
	<hr/>		
Total operating expenses	136,695	253,423	390,118
	<hr/>		
OPERATING INCOME (LOSS)	7,567	(63,583)	(56,016)
	<hr/>		
NON-OPERATING REVENUES (EXPENSES)			
Investment income	313	843	1,156
	<hr/>		
Total non-operating revenues (expenses)	313	843	1,156
	<hr/>		
CHANGE IN NET POSITION	7,880	(62,740)	(54,860)
	<hr/>		
NET POSITION, JANUARY 1	132,093	511,145	643,238
	<hr/>		
NET POSITION, DECEMBER 31	\$ 139,973	\$ 448,405	\$ 588,378
	<hr/> <hr/>		

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

	Parking System Revenue	Village Parking System	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 136,635	\$ 155,033	\$ 291,668
Receipts from miscellaneous revenues	5,519	20,352	\$ 25,871
Payments to suppliers	(92,144)	(194,550)	(286,694)
Payments to employees	(39,777)	(54,171)	(93,948)
Net cash from operating activities	10,233	(73,336)	(63,103)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Home rule sales tax	1,595	-	1,595
Net cash from noncapital financing activities	1,595	-	1,595
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	313	843	1,156
Net cash from investing activities	313	843	1,156
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,141	(72,493)	(60,352)
CASH AND CASH EQUIVALENTS, JANUARY 1	162,416	326,196	488,612
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 174,557	\$ 253,703	\$ 428,260

(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, 2016

	Parking System Revenue	Village Parking System	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 7,567	\$ (63,583)	\$ (56,016)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	2,803	3,469	6,272
Accrued payroll and compensated absences	811	1,022	1,833
Net other postemployment benefits obligation	1,160	211	1,371
Unearned revenues	(2,108)	(14,455)	(16,563)
NET CASH FROM OPERATING ACTIVITIES	\$ 10,233	\$ (73,336)	\$ (63,103)

(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, 2016

	Budget		
	Original	Final	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 146,000	\$ 146,000	\$ 138,743
Miscellaneous	-	-	4,781
Convenience fees	-	-	738
			<hr/>
Total operating revenues	146,000	146,000	144,262
			<hr/>
OPERATING EXPENSES			
Administration, maintenance, and improvements	226,164	226,164	136,695
			<hr/>
Total operating expenses	226,164	226,164	136,695
			<hr/>
OPERATING INCOME (LOSS)	(80,164)	(80,164)	7,567
			<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	-	-	313
			<hr/>
Total non-operating revenues (expenses)	-	-	313
			<hr/>
CHANGE IN NET POSITION	<u>\$ (80,164)</u>	<u>\$ (80,164)</u>	7,880
NET POSITION, JANUARY 1			<hr/> 132,093
NET POSITION, DECEMBER 31			<u><u>\$ 139,973</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 26,182	\$ 26,182	\$ 27,295
Employee benefits	13,063	13,063	14,453
Contractual services	89,261	89,261	80,020
Utilities	10,947	10,947	6,964
Insurance	1,537	1,537	1,537
Commodities and supplies	10,174	10,174	6,426
Capital expenditures	75,000	75,000	-
TOTAL OPERATING EXPENSES	\$ 226,164	\$ 226,164	\$ 136,695

(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, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 162,000	\$ 162,000	\$ 162,888
Rental fees	6,600	6,600	6,600
Miscellaneous	-	-	18,980
Convenience fees	-	-	1,372
			<hr/>
Total operating revenues	168,600	168,600	189,840
			<hr/>
OPERATING EXPENSES			
Administration, maintenance, and improvements	257,796	361,296	253,423
			<hr/>
Total operating expenses	257,796	361,296	253,423
			<hr/>
OPERATING INCOME (LOSS)	(89,196)	(192,696)	(63,583)
			<hr/>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	100	100	843
			<hr/>
Total non-operating revenues (expenses)	100	100	843
			<hr/>
CHANGE IN NET POSITION	<u>\$ (89,096)</u>	<u>\$ (192,596)</u>	(62,740)
NET POSITION, JANUARY 1			<u>511,145</u>
NET POSITION, DECEMBER 31			<u>\$ 448,405</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS			
Personal services	\$ 35,625	\$ 35,625	\$ 37,266
Employee benefits	17,665	17,665	18,138
Contractual services	44,859	44,859	7,336
Insurance	1,902	1,902	1,902
Commodities and supplies	530	530	530
Capital expenditures	157,215	260,715	188,251
TOTAL OPERATING EXPENSES	\$ 257,796	\$ 361,296	\$ 253,423

(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, 2016

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CURRENT ASSETS					
Cash and investments	\$ 534,271	\$ 2,493,289	\$ 9,362,616	\$ 787,208	\$ 13,177,384
Receivables					
Accrued interest	-	-	4,385	-	4,385
Other	-	-	100	2,751	2,851
Due from other governments	-	-	2,920	8,934	11,854
Prepaid items	-	162,018	-	12	162,030
Inventories	-	-	-	293,061	293,061
Total current assets	534,271	2,655,307	9,370,021	1,091,966	13,651,565
NONCURRENT ASSETS					
Deposits - insurance	-	2,244,022	-	-	2,244,022
CAPITAL ASSETS					
Capital assets not being depreciated	-	-	304,047	-	304,047
Capital assets being depreciated, cost	133,797	-	12,905,037	139,860	13,178,694
Accumulated depreciation	(72,107)	-	(8,334,270)	(131,894)	(8,538,271)
Net capital assets	61,690	-	4,874,814	7,966	4,944,470
Total assets	595,961	4,899,329	14,244,835	1,099,932	20,840,057
CURRENT LIABILITIES					
Accounts payable	5,080	57,758	78,926	69,854	211,618
Accrued payroll	-	-	-	25,162	25,162
Claims payable	-	1,020,210	-	-	1,020,210
Other payables	-	13,179	-	-	13,179
Compensated absences payable	-	-	-	30,010	30,010
Total current liabilities	5,080	1,091,147	78,926	125,026	1,300,179
LONG-TERM LIABILITIES					
Compensated absences payable	-	-	-	120,044	120,044
Claims payable	-	202,310	-	-	202,310
Net other postemployment benefits obligation	-	-	-	43,462	43,462
Total long-term liabilities	-	202,310	-	163,506	365,816
Total liabilities	5,080	1,293,457	78,926	288,532	1,665,995
NET POSITION					
Investment in capital assets	61,690	-	4,874,814	7,966	4,944,470
Unrestricted	529,191	3,605,872	9,291,095	803,434	14,229,592
TOTAL NET POSITION	\$ 590,881	\$ 3,605,872	\$ 14,165,909	\$ 811,400	\$ 19,174,062

(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, 2016

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
OPERATING REVENUES					
Charges for services	\$ 254,050	\$ 6,892,660	\$ 1,607,615	\$ 2,044,049	\$ 10,798,374
Contributions	-	1,291,865	-	-	1,291,865
Miscellaneous	-	16,462	-	-	16,462
Total operating revenues	254,050	8,200,987	1,607,615	2,044,049	12,106,701
OPERATING EXPENSES					
Administration and maintenance	132,813	423,934	81,404	2,033,664	2,671,815
Insurance and claims	-	7,267,819	-	-	7,267,819
Depreciation	10,380	-	630,545	3,187	644,112
Total operating expenses	143,193	7,691,753	711,949	2,036,851	10,583,746
OPERATING INCOME	110,857	509,234	895,666	7,198	1,522,955
NON-OPERATING REVENUES (EXPENSES)					
Investment income	1,292	5,765	27,331	1,998	36,386
Gain on disposal of capital assets	-	-	49,007	-	49,007
Total non-operating revenues (expenses)	1,292	5,765	76,338	1,998	85,393
INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	112,149	514,999	972,004	9,196	1,608,348
CAPITAL GRANTS AND CONTRIBUTIONS	-	-	28,183	-	28,183
CHANGES IN NET POSITION	112,149	514,999	1,000,187	9,196	1,636,531
NET POSITION, JANUARY 1	478,732	3,090,873	13,165,722	802,204	17,537,531
NET POSITION, DECEMBER 31	\$ 590,881	\$ 3,605,872	\$ 14,165,909	\$ 811,400	\$ 19,174,062

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ -	\$ 2,188,652	\$ -	\$ -	\$ 2,188,652
Receipts from interfund services	254,050	5,995,873	1,596,200	2,044,049	9,890,172
Miscellaneous receipts (payments)	-	16,462	12,814	(1,219)	28,057
Payments to suppliers	(129,265)	(7,422,140)	(4,718)	(583,515)	(8,139,638)
Payments to employees	-	-	-	(1,403,742)	(1,403,742)
Net cash from operating activities	124,785	778,847	1,604,296	55,573	2,563,501
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
None	-	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(68,544)	-	(901,572)	-	(970,116)
Net cash from capital and related financing activities	(68,544)	-	(901,572)	-	(970,116)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	1,292	5,765	22,946	1,998	32,001
Net cash from investing activities	1,292	5,765	22,946	1,998	32,001
NET INCREASE IN CASH AND CASH EQUIVALENTS	57,533	784,612	725,670	57,571	1,625,386
CASH AND CASH EQUIVALENTS, JANUARY 1	476,738	1,708,677	8,636,946	729,637	11,551,998
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 534,271	\$ 2,493,289	\$ 9,362,616	\$ 787,208	\$ 13,177,384

(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, 2016

	<u>Computer Replacement</u>	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Vehicle Maintenance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 110,857	\$ 509,234	\$ 895,666	\$ 7,198	\$ 1,522,955
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	10,380	-	630,545	3,187	644,112
Changes in assets and liabilities					
Receivables	-	-	1,399	(1,219)	180
Inventories	-	-	-	(15,933)	(15,933)
Prepaid items	-	(22,835)	-	331	(22,504)
Deposits - insurance	-	(139,607)	-	-	(139,607)
Accounts and others payable	3,548	42,503	76,686	32,316	155,053
Accrued payroll and compensated absences	-	-	-	10,251	10,251
Net other postemployment benefits obligation	-	-	-	19,442	19,442
Claims payable	-	389,552	-	-	389,552
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 124,785</u>	<u>\$ 778,847</u>	<u>\$ 1,604,296</u>	<u>\$ 55,573</u>	<u>\$ 2,563,501</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
Refuse Disposal Fund	\$ 746	\$ 746	\$ 746
Water and Sewer Fund	17,936	17,936	17,936
General Fund	235,368	235,368	235,368
Total operating revenues	<u>254,050</u>	<u>254,050</u>	<u>254,050</u>
OPERATING EXPENSES			
Administration			
Capital outlay	196,256	196,256	132,813
Depreciation	-	-	10,380
Total operating expenses	<u>196,256</u>	<u>196,256</u>	<u>143,193</u>
OPERATING INCOME	57,794	57,794	110,857
NON-OPERATING REVENUES (EXPENSES)			
Investment income	500	500	1,292
CHANGE IN NET POSITION	<u>\$ 58,294</u>	<u>\$ 58,294</u>	112,149
NET POSITION, JANUARY 1			<u>478,732</u>
NET POSITION, DECEMBER 31			<u>\$ 590,881</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, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Capital outlay	\$ 264,800	\$ 264,800	\$ 201,357
Less capital assets capitalized	(68,544)	(68,544)	(68,544)
Total administration	196,256	196,256	132,813
Depreciation	-	-	10,380
TOTAL OPERATING EXPENSES	\$ 196,256	\$ 196,256	\$ 143,193

(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, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 7,041,034	\$ 7,041,034	\$ 6,892,660
Contributions	1,340,000	1,340,000	1,291,865
Miscellaneous	1,500	1,500	16,462
Total operating revenues	<u>8,382,534</u>	<u>8,382,534</u>	<u>8,200,987</u>
OPERATING EXPENSES			
Administration	400,480	400,480	423,934
Insurance and claims	7,661,234	7,661,234	7,267,819
Total operating expenses	<u>8,061,714</u>	<u>8,061,714</u>	<u>7,691,753</u>
OPERATING INCOME	320,820	320,820	509,234
NON-OPERATING REVENUES (EXPENSES)			
Investment income	2,000	2,000	5,765
CHANGE IN NET POSITION	<u>\$ 322,820</u>	<u>\$ 322,820</u>	514,999
NET POSITION, JANUARY 1			<u>3,090,873</u>
NET POSITION, DECEMBER 31			<u>\$ 3,605,872</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, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services			
General Fund	\$ 5,935,903	\$ 5,935,903	\$ 5,757,397
Refuse Disposal Fund	37,119	37,119	37,119
Water and Sewer Fund	167,501	167,501	167,501
Parking System Revenue Fund	1,537	1,537	1,537
Village Parking Fund	1,902	1,902	1,902
Vehicle Maintenance Fund	30,417	30,417	30,417
Library	866,655	866,655	896,787
Total charges for services	<u>7,041,034</u>	<u>7,041,034</u>	<u>6,892,660</u>
Contributions			
Employee			
Health insurance	467,000	467,000	500,447
Additional life insurance	20,000	20,000	22,299
Retiree			
Health insurance	853,000	853,000	769,119
Total contributions	<u>1,340,000</u>	<u>1,340,000</u>	<u>1,291,865</u>
Miscellaneous			
Other reimbursements	1,000	1,000	16,462
Miscellaneous income	500	500	-
Total miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>16,462</u>
TOTAL OPERATING REVENUES	<u>\$ 8,382,534</u>	<u>\$ 8,382,534</u>	<u>\$ 8,200,987</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, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION			
Casualty and property program			
Claims administration	\$ 11,000	\$ 11,000	\$ 11,931
Other contractual services	22,000	22,000	12,001
Total casualty and property program	33,000	33,000	23,932
Medical program			
Claims administration	303,480	303,480	310,763
Workers' compensation			
Claims administration	64,000	64,000	88,939
Capital outlay			
Other equipment	-	-	300
Total administration	400,480	400,480	423,934
INSURANCE AND CLAIMS			
Casualty and property program			
Property insurance	114,000	114,000	113,579
HELP excess liability insurance	120,000	120,000	122,368
Workers' compensation insurance	99,000	99,000	102,013
Faithful performance insurance	4,000	4,000	2,933
Surety bonds	500	500	510
Other insurance	4,000	4,000	2,611
Property claims	1,000	1,000	-
Liability claims	100,000	100,000	57,755
Workers' compensation claims	700,000	700,000	583,195
Auto claims	15,000	15,000	114,444
Village property claims	10,000	10,000	-
Unemployment compensation claims	10,000	10,000	15,606
Tree hazard study	10,000	10,000	7,724
Other claims	10,000	10,000	7,448
Total casualty and property program	1,197,500	1,197,500	1,130,186
Medical program			
Medical expense - HMO plan	1,613,507	1,613,507	1,432,709
Medical expense - indemnity plan	4,809,684	4,809,684	4,646,768
Health and wellness supplies	-	-	15,194
Life insurance	40,543	40,543	42,962
Total medical program	6,463,734	6,463,734	6,137,633
Total insurance and claims	7,661,234	7,661,234	7,267,819
TOTAL OPERATING EXPENSES	\$ 8,061,714	\$ 8,061,714	\$ 7,691,753

(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, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 1,604,200	\$ 1,604,200	\$ 1,607,615
Total operating revenues	1,604,200	1,604,200	1,607,615
OPERATING EXPENSES			
Administration	30,000	30,000	81,404
Depreciation	-	-	630,545
Total operating expenses	30,000	30,000	711,949
OPERATING INCOME	1,574,200	1,574,200	895,666
NON-OPERATING REVENUES (EXPENSES)			
Investment income	4,000	4,000	27,331
Gain on sale of capital assets	-	-	49,007
Total non-operating revenues (expenses)	4,000	4,000	76,338
INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	1,578,200	1,578,200	972,004
CAPITAL GRANTS AND CONTRIBUTIONS	-	-	28,183
CHANGE IN NET POSITION	<u>\$ 1,578,200</u>	<u>\$ 1,578,200</u>	1,000,187
NET POSITION, JANUARY 1			<u>13,165,722</u>
NET POSITION, DECEMBER 31			<u>\$ 14,165,909</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2016

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Mayor and board	\$ 2,700	\$ -	\$ -
Manager's office	4,100	4,100	4,100
Television services division	800	800	800
Community development - planning	1,500	1,500	1,500
Community development - building	2,500	2,500	2,500
Community development - housing	7,400	7,400	7,400
Community development - health	1,500	1,500	1,500
Police department	239,100	239,100	239,100
Fire department	554,400	554,400	554,400
Public works department	394,700	397,400	397,400
Engineering division	8,900	8,900	8,900
Human services	100	100	100
Water and Sewer Fund	378,500	378,500	378,500
Other fee	8,000	8,000	11,415
TOTAL OPERATING REVENUE	\$ 1,604,200	\$ 1,604,200	\$ 1,607,615

(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, 2016

	Budget		Actual
	Original	Final	
OPERATING EXPENSES			
Administration			
Capital outlay - police vehicles	\$ 374,000	\$ 461,668	\$ 431,588
Capital outlay - pool vehicles	30,000	30,000	-
Capital outlay - fire	850,000	855,000	34,402
Capital outlay - public works	1,073,000	1,208,000	603,847
Less capital assets capitalized	(2,297,000)	(2,524,668)	(988,433)
Total administration	30,000	30,000	81,404
Depreciation	-	-	630,545
TOTAL OPERATING EXPENSES	\$ 30,000	\$ 30,000	\$ 711,949

(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, 2016

	Budget		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ 2,044,049	\$ 2,044,049	\$ 2,044,049
Total operating revenues	2,044,049	2,044,049	2,044,049
OPERATING EXPENSES			
Administration and maintenance	2,134,037	2,174,393	2,033,664
Depreciation	-	-	3,187
Total operating expenses	2,134,037	2,174,393	2,036,851
OPERATING INCOME (LOSS)	(89,988)	(130,344)	7,198
NON-OPERATING REVENUES (EXPENSES)			
Investment income	600	600	1,998
Total non-operating revenues (expenses)	600	600	1,998
CHANGE IN NET POSITION	\$ (89,388)	\$ (129,744)	9,196
NET POSITION, JANUARY 1			802,204
NET POSITION, DECEMBER 31			<u>\$ 811,400</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, 2016

	Budget		Actual
	Original	Final	
CHARGES FOR SERVICES			
General Fund			
Mayor and board	\$ 3,066	\$ -	\$ -
Manager's office	3,066	3,066	3,066
Television services division	3,270	3,270	3,270
Community development - planning	3,066	3,066	3,066
Community development - building	4,293	4,293	4,293
Community development - housing	21,463	21,463	21,463
Community development - health	3,066	3,066	3,066
Police department	520,619	520,619	520,619
Fire department	323,164	323,164	323,164
Public works department	633,042	636,108	636,108
Engineering division	33,318	33,318	33,318
Human service charges	3,066	3,066	3,066
Water and Sewer Fund	489,550	489,550	489,550
TOTAL OPERATING REVENUES	\$ 2,044,049	\$ 2,044,049	\$ 2,044,049

(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, 2016

	Budget		Actual
	Original	Final	
ADMINISTRATION AND MAINTENANCE			
Vehicle division administration			
Personal services	\$ 112,878	\$ 112,878	\$ 113,594
Employee benefits	73,874	73,874	104,076
Other employee costs	2,456	2,456	1,720
Contractual services	10,579	50,935	47,155
Utilities	3,195	3,195	4,194
Commodities and supplies	1,969	1,969	981
Office equipment	578	578	175
	<hr/>	<hr/>	<hr/>
Total vehicle division administration	205,529	245,885	271,895
	<hr/>	<hr/>	<hr/>
Vehicle maintenance program			
Personal services	858,873	858,873	875,785
Employee benefits	317,883	317,883	339,980
Contractual services	94,005	94,005	90,794
Commodities and supplies	654,033	654,033	454,052
Other equipment	3,714	3,714	1,158
	<hr/>	<hr/>	<hr/>
Total vehicle maintenance program	1,928,508	1,928,508	1,761,769
	<hr/>	<hr/>	<hr/>
Total administration and maintenance	2,134,037	2,174,393	2,033,664
	<hr/>	<hr/>	<hr/>
Depreciation	-	-	3,187
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 2,134,037	\$ 2,174,393	\$ 2,036,851

(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, 2016

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 678,397	\$ 424,426	\$ 1,102,823
Investments			
State and local obligations	2,158,254	846,282	3,004,536
U.S. Government and U.S. agency obligations	10,540,288	11,188,457	21,728,745
Corporate bonds and obligations	10,299,758	7,808,706	18,108,464
Real estate	-	2,950,073	2,950,073
Mutual funds	38,123,159	34,945,675	73,068,834
	<hr/>		
Total cash and investments	61,799,856	58,163,619	119,963,475
Accrued interest receivable	146,527	112,191	258,718
Due from other funds	58,891	81,382	140,273
Prepays	1,912	1,670	3,582
	<hr/>		
Total assets	62,007,186	58,358,862	120,366,048
LIABILITIES			
Accounts payable	30,500	14,033	44,533
	<hr/>		
Total liabilities	30,500	14,033	44,533
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 61,976,686</u>	<u>\$ 58,344,829</u>	<u>\$ 120,321,515</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

For the Year Ended December 31, 2016

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 3,232,887	\$ 2,806,983	\$ 6,039,870
Plan members	815,684	668,070	1,483,754
Total contributions	4,048,571	3,475,053	7,523,624
Investment income			
Interest earned	760,605	595,719	1,356,324
Net change in fair value	3,512,674	2,539,257	6,051,931
Less investment expenses	(111,621)	(85,438)	(197,059)
Net investment income	4,161,658	3,049,538	7,211,196
Total additions	8,210,229	6,524,591	14,734,820
DEDUCTIONS			
Administration	44,605	55,257	99,862
Benefits and refunds	4,688,978	4,981,207	9,670,185
Total deductions	4,733,583	5,036,464	9,770,047
NET INCREASE	3,476,646	1,488,127	4,964,773
NET POSITION RESTRICTED FOR PENSIONS			
January 1	58,500,040	56,856,702	115,356,742
December 31	\$ 61,976,686	\$ 58,344,829	\$ 120,321,515

(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, 2016

	Budget		Actual
	Original	Final	
ADDITIONS			
Contributions			
Employer	\$ 3,219,000	\$ 3,219,000	\$ 3,232,887
Plan members	816,000	816,000	815,684
Other	500	500	-
Total contributions	<u>4,035,500</u>	<u>4,035,500</u>	<u>4,048,571</u>
Investment income			
Interest earned	800,500	800,500	760,605
Net change in fair value	3,430,000	3,430,000	3,512,674
Less investment expenses	(119,000)	(119,000)	(111,621)
Net investment income	<u>4,111,500</u>	<u>4,111,500</u>	<u>4,161,658</u>
Total additions	<u>8,147,000</u>	<u>8,147,000</u>	<u>8,210,229</u>
DEDUCTIONS			
Administration	71,200	71,200	44,605
Benefits and refunds	4,642,976	4,697,976	4,688,978
Total deductions	<u>4,714,176</u>	<u>4,769,176</u>	<u>4,733,583</u>
NET INCREASE	<u><u>\$ 3,432,824</u></u>	<u><u>\$ 3,377,824</u></u>	<u>3,476,646</u>
NET POSITION RESTRICTED FOR PENSIONS			
January 1			<u>58,500,040</u>
December 31			<u><u>\$ 61,976,686</u></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, 2016

	Budget		Actual
	Original	Final	
ADDITIONS			
Contributions			
Employer	\$ 2,737,340	\$ 2,737,340	\$ 2,806,983
Plan members	642,000	642,000	668,070
Other	500	500	-
Total contributions	<u>3,379,840</u>	<u>3,379,840</u>	<u>3,475,053</u>
Investment income			
Interest earned	690,500	690,500	595,719
Net change in fair value	3,545,000	3,545,000	2,539,257
Less investment expenses	(91,000)	(91,000)	(85,438)
Net investment income	<u>4,144,500</u>	<u>4,144,500</u>	<u>3,049,538</u>
Total additions	<u>7,524,340</u>	<u>7,524,340</u>	<u>6,524,591</u>
DEDUCTIONS			
Administration	75,200	75,200	55,257
Benefits and refunds	4,734,831	4,999,831	4,981,207
Total deductions	<u>4,810,031</u>	<u>5,075,031</u>	<u>5,036,464</u>
NET INCREASE	<u>\$ 2,714,309</u>	<u>\$ 2,449,309</u>	1,488,127
NET POSITION RESTRICTED FOR PENSIONS			
January 1			<u>56,856,702</u>
December 31			<u>\$ 58,344,829</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, 2016

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and investments	\$ 1,136,998	\$ 2,099,292	\$ 1,867,975	\$ 1,368,315
Due from other funds	-	864	864	-
Deposits	5,090	2,050	-	7,140
Other receivables	-	9,315	9,315	-
TOTAL ASSETS	\$ 1,142,088	\$ 2,111,521	\$ 1,878,154	\$ 1,375,455
LIABILITIES				
Deposits payable	\$ 1,136,112	\$ 1,203,085	\$ 963,742	\$ 1,375,455
Due to other funds	-	127,776	127,776	-
Other liabilities	5,976	455,305	461,281	-
TOTAL LIABILITIES	\$ 1,142,088	\$ 1,786,166	\$ 1,552,799	\$ 1,375,455
1. Escrow Deposit Fund				
ASSETS				
Cash and investments	\$ 1,101,399	\$ 1,844,763	\$ 1,603,170	\$ 1,342,992
Due from other funds	-	864	864	-
Other receivables	-	9,315	9,315	-
TOTAL ASSETS	\$ 1,101,399	\$ 1,854,942	\$ 1,613,349	\$ 1,342,992
LIABILITIES				
Deposits payable	\$ 1,095,423	\$ 947,731	\$ 700,162	\$ 1,342,992
Due to other funds	-	124,535	124,535	-
Other liabilities	5,976	455,305	461,281	-
TOTAL LIABILITIES	\$ 1,101,399	\$ 1,527,571	\$ 1,285,978	\$ 1,342,992

(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, 2016

	Balances		Balances	
	January 1	Additions	Deductions	December 31
2. Flexcomp Escrow Fund				
ASSETS				
Cash and investments	\$ 35,599	\$ 254,529	\$ 264,805	\$ 25,323
Deposits	5,090	2,050	-	7,140
TOTAL ASSETS	\$ 40,689	\$ 256,579	\$ 264,805	\$ 32,463
LIABILITIES				
Deposits payable	\$ 40,689	\$ 255,354	\$ 263,580	\$ 32,463
Due to other funds	-	3,241	3,241	-
TOTAL LIABILITIES	\$ 40,689	\$ 258,595	\$ 266,821	\$ 32,463

(See independent auditor's report.)

SUPPLEMENTAL DATA

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2016

	General Obligation Bonds of 2009	General Obligation Bonds of 2009B	General Obligation Bonds of 2009C	General Obligation Bonds of 2011B	General Obligation Bonds of 2012	General Obligation Bonds of 2013	General Obligation Bonds of 2014	General Obligation Bonds of 2016	General Obligation Bonds of 2016A	Loan Contracts Payable
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT										
Amount to be provided for retirement of general long-term debt	\$ 600,000	\$ 1,720,000	\$ 2,530,000	\$ 2,980,000	\$ 1,745,000	\$ 9,800,000	\$ 5,385,000	\$ 8,735,000	\$ 9,100,000	\$ 359,175
TOTAL	\$ 600,000	\$ 1,720,000	\$ 2,530,000	\$ 2,980,000	\$ 1,745,000	\$ 9,800,000	\$ 5,385,000	\$ 8,735,000	\$ 9,100,000	\$ 359,175
GENERAL LONG-TERM DEBT PAYABLE										
General obligation bonds payable	\$ 600,000	\$ 1,720,000	\$ 2,530,000	\$ 2,980,000	\$ 1,745,000	\$ 9,800,000	\$ 5,385,000	\$ 8,735,000	\$ 9,100,000	\$ -
IEPA flood loans	-	-	-	-	-	-	-	-	-	359,175
Installment notes payable	-	-	-	-	-	-	-	-	-	-
Business district limited tax note payable	-	-	-	-	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	-	-	-	-	-
Net pension liability - IMRF	-	-	-	-	-	-	-	-	-	-
Net pension liability - Police Pension	-	-	-	-	-	-	-	-	-	-
Net pension liability - Firefighters Pension	-	-	-	-	-	-	-	-	-	-
Unamortized bond premiums	-	-	-	-	-	-	-	-	-	-
Net other postemployment benefit obligation	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 600,000	\$ 1,720,000	\$ 2,530,000	\$ 2,980,000	\$ 1,745,000	\$ 9,800,000	\$ 5,385,000	\$ 8,735,000	\$ 9,100,000	\$ 359,175

(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, 2016

	Installment Notes	Business District Limited Tax Note	Compensated Absences	Net Pension Liability - IMRF	Net Pension Liability - Police	Net Pension Liability - Firefighters	Unamortized Bond Premiums	Net Other Postemployment Benefit Obligation	Total
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT									
Amount to be provided for retirement of general long-term debt	\$ 1,525,000	\$ 31,767,253	\$ 3,410,968	\$ 6,961,499	\$ 48,348,979	\$ 42,652,737	\$ 1,310,073	\$ 1,483,201	\$ 180,413,885
TOTAL	\$ 1,525,000	\$ 31,767,253	\$ 3,410,968	\$ 6,961,499	\$ 48,348,979	\$ 42,652,737	\$ 1,310,073	\$ 1,483,201	\$ 180,413,885
GENERAL LONG-TERM DEBT PAYABLE									
General obligation bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,595,000
IEPA flood loans	-	-	-	-	-	-	-	-	359,175
Installment notes payable	1,525,000	-	-	-	-	-	-	-	1,525,000
Business district limited tax note payable	-	31,767,253	-	-	-	-	-	-	31,767,253
Compensated absences payable	-	-	3,410,968	-	-	-	-	-	3,410,968
Net pension liability - IMRF	-	-	-	6,961,499	-	-	-	-	6,961,499
Net pension liability - Police Pension	-	-	-	-	48,348,979	-	-	-	48,348,979
Net pension liability - Firefighters Pension	-	-	-	-	-	42,652,737	-	-	42,652,737
Unamortized bond premiums	-	-	-	-	-	-	1,310,073	-	1,310,073
Net other postemployment benefit obligation	-	-	-	-	-	-	-	1,483,201	1,483,201
TOTAL	\$ 1,525,000	\$ 31,767,253	\$ 3,410,968	\$ 6,961,499	\$ 48,348,979	\$ 42,652,737	\$ 1,310,073	\$ 1,483,201	\$ 180,413,885

(See independent auditor's report.)

LONG-TERM DEBT REQUIREMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2009

December 31, 2016

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	
2016	-	\$ -	\$ 24,000	\$ 24,000	2017 \$ 12,000	2017 \$ 12,000	
2017	-	-	24,000	24,000	2018 12,000	2018 12,000	
2018	-	-	24,000	24,000	2019 12,000	2019 12,000	
2019	-	-	24,000	24,000	2020 12,000	2020 12,000	
2020	-	-	24,000	24,000	2021 12,000	2021 12,000	
2021	-	-	24,000	24,000	2022 12,000	2022 12,000	
2022	-	-	24,000	24,000	2023 12,000	2023 12,000	
2023	41-559	600,000	24,000	624,000	2024 12,000	2024 12,000	
		<u>\$ 600,000</u>	<u>\$ 192,000</u>	<u>\$ 792,000</u>	<u>\$ 96,000</u>	<u>\$ 96,000</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2016

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
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>\$ 1,720,000</u>	<u>\$ 194,325</u>	<u>\$ 1,914,325</u>		<u>\$ 97,160</u>		<u>\$ 97,165</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2016

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 2,530,000</u>	<u>\$ 1,139,997</u>	<u>\$ 3,669,997</u>		<u>\$ 569,999</u>		<u>\$ 569,998</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2011B

December 31, 2016

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
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>\$ 2,980,000</u>	<u>\$ 190,260</u>	<u>\$ 3,170,260</u>		<u>\$ 95,130</u>		<u>\$ 95,130</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2012

December 31, 2016

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
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>\$ 297,916</u>	<u>\$ 2,042,916</u>			<u>\$ 148,958</u>	<u>\$ 148,958</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2013

December 31, 2016

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
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>\$ 4,241,057</u>	<u>\$ 14,041,057</u>	<u>\$ 2,120,526</u>		<u>\$ 2,120,531</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS OF 2014

December 31, 2016

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
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>\$ 5,385,000</u>	<u>\$ 787,950</u>	<u>\$ 6,172,950</u>		<u>\$ 393,975</u>		<u>\$ 393,975</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2016

December 31, 2016

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2016	0025-0295	\$ 1,375,000	\$ 203,650	\$ 1,578,650	2017	\$ 101,825	2017	\$ 101,825
2017	0296-0573	1,400,000	176,150	1,576,150	2018	88,075	2018	88,075
2018	0574-0860	1,425,000	148,150	1,573,150	2019	74,075	2019	74,075
2019	0861-1156	1,470,000	105,400	1,575,400	2020	52,700	2020	52,700
2020	1157-1461	1,515,000	61,300	1,576,300	2021	30,650	2021	30,650
2021	1462-1776	1,550,000	31,000	1,581,000	2022	15,500	2022	15,500
		<u>\$ 8,735,000</u>	<u>\$ 725,650</u>	<u>\$ 9,460,650</u>		<u>\$ 362,825</u>		<u>\$ 362,825</u>

(See independent auditor's report.)

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

December 31, 2016

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Total	June 1	Amount	December 1	Amount
2016	0001-0024	\$ 120,000	\$ 273,000	\$ 393,000	2017	\$ 136,500	2017	\$ 136,500
2017	0025-0048	120,000	269,400	389,400	2018	134,700	2018	134,700
2018	-	-	265,800	265,800	2019	132,900	2019	132,900
2019	-	-	265,800	265,800	2020	132,900	2020	132,900
2020	-	-	265,800	265,800	2021	132,900	2021	132,900
2021	-	-	265,800	265,800	2022	132,900	2022	132,900
2022	0049-0151	515,000	265,800	780,800	2023	132,900	2023	132,900
2023	0152-0363	1,060,000	250,350	1,310,350	2024	125,175	2024	125,175
2024	0364-0711	1,740,000	218,550	1,958,550	2025	109,275	2025	109,275
2025	0712-1070	1,795,000	166,350	1,961,350	2026	83,175	2026	83,175
2026	1071-1439	1,845,000	112,500	1,957,500	2027	56,250	2027	56,250
2027	1440-1820	1,905,000	57,150	1,962,150	2028	28,575	2028	28,575
		<u>\$ 9,100,000</u>	<u>\$ 2,676,300</u>	<u>\$ 11,776,300</u>	<u>\$ 1,338,150</u>		<u>\$ 1,338,150</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, 2016

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

Tax Levy Year	Payment Numbers	Requirements		
		Principal	Interest	Total
2017	39-40	\$ 79,035	\$ 1,717	\$ 80,752
		\$ 79,035	\$ 1,717	\$ 80,752

(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, 2016

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

Tax Levy Year	Payment Numbers	Requirements		
		Principal	Interest	Total
2017	35-36	\$ 109,868	\$ 6,638	\$ 116,506
2018	37-38	112,771	3,735	116,506
2019	39	57,501	754	58,255
		<u>\$ 280,140</u>	<u>\$ 11,127</u>	<u>\$ 291,267</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
INSTALLMENT NOTE PAYABLE OF 2012

December 31, 2016

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
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>\$ 1,525,000</u>	<u>\$ 29,303</u>	<u>\$ 1,554,303</u>		<u>\$ 14,651</u>		<u>\$ 14,652</u>

(See independent auditor's report.)

ADDITIONAL SUPPLEMENTAL DATA

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2016

Type of Coverage	Self-Insured Retention	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
Property, Building, and Contents	\$ 25,000	\$ 101,219,690	None	Federal Insurance Co./Chubb	1/1/2017
Excess Workers' Compensation	650,000	Statutory	\$ 1,000,000	Safety National Insurance Co.	1/1/2017
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	8/1/2017
Fiduciary Liability - Firefighters' Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	8/1/2017
Excess Liability	2,000,000	13,000,000	13,000,000	High-Level Excess Liability Pool	4/30/2018
Public Employee Dishonesty	5,000	500,000	None	Travelers	5/1/2017
Depositors Forgery	1,000	100,000	None	Travelers	5/1/2017
Public Officials Bond - President	-	100,000	100,000	Liberty Mutual	5/1/2017
Public Officials Bond - Manager	-	100,000	100,000	Liberty Mutual	5/1/2017
Public Officials Bond - Village Treasurer	-	250,000	250,000	Liberty Mutual	5/1/2017
Contingent Tax Interruption	25,000	9,000,000	9,000,000	Federal Insurance Co./Chubb	1/1/2017
Employee and Retiree Health Insurance	30,000/75,000	None	None	Intergovernmental Personal Benefit Cooperative	6/30/2017
Third Party Administrators					
Workers' Compensation Claims Administration	N/A	N/A	N/A	MCSA Cooperative (CCMSI third-party administrator)	N/A
Liability Claims Administration	N/A	N/A	N/A	Gallagher Bassett	N/A

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	185-194
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	195-203
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	204-207
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	208-209
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	210-214

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 26,114,472	\$ 29,663,909	\$ 27,741,453	\$ 30,020,260
Restricted	3,178,963	2,367,670	4,497,173	4,891,298
Unrestricted	23,151,760	21,216,625	20,277,880	18,296,001
TOTAL GOVERNMENTAL ACTIVITIES	\$ 52,445,195	\$ 53,248,204	\$ 52,516,506	\$ 53,207,559
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 19,437,672	\$ 20,776,324	\$ 22,412,134	\$ 23,044,064
Unrestricted	6,833,310	6,852,644	5,996,007	5,927,430
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 26,270,982	\$ 27,628,968	\$ 28,408,141	\$ 28,971,494
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 45,552,144	\$ 50,440,233	\$ 50,153,587	\$ 53,064,324
Restricted	3,178,963	2,367,670	4,497,173	4,891,298
Unrestricted	29,985,070	28,069,269	26,273,887	24,223,431
TOTAL PRIMARY GOVERNMENT	\$ 78,716,177	\$ 80,877,172	\$ 80,924,647	\$ 82,179,053

* 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

2011	2012	2013	2014*	2015**	2016
\$ 53,524,378	\$ 48,521,357	\$ 48,152,760	\$ 46,326,047	\$ 43,755,661	\$ 43,024,875
2,828,903	3,547,328	3,045,922	4,186,505	5,319,794	4,557,424
20,019,184	24,952,139	24,153,907	(10,441,020)	(99,563,419)	(101,578,462)
\$ 76,372,465	\$ 77,020,824	\$ 75,352,589	\$ 40,071,532	\$ (50,487,964)	\$ (53,996,163)
\$ 26,892,474	\$ 26,566,375	\$ 26,352,289	\$ 26,854,967	\$ 36,336,899	\$ 36,588,628
5,167,986	6,820,901	8,057,996	7,734,851	5,580,049	4,610,400
\$ 32,060,460	\$ 33,387,276	\$ 34,410,285	\$ 34,589,818	\$ 41,916,948	\$ 41,199,028
\$ 80,416,852	\$ 75,087,732	\$ 74,505,049	\$ 73,181,014	\$ 80,092,560	\$ 79,613,503
2,828,903	3,547,328	3,045,922	4,186,505	5,319,794	4,557,424
25,187,170	31,773,040	32,211,903	(2,706,169)	(93,983,370)	(96,968,062)
\$ 108,432,925	\$ 110,408,100	\$ 109,762,874	\$ 74,661,350	\$ (8,571,016)	\$ (12,797,135)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
EXPENSES				
Governmental Activities				
General government	\$ 5,777,024	\$ 6,682,541	\$ 7,192,572	\$ 6,541,405
Public safety	24,565,640	26,646,855	27,172,360	27,303,165
Highways and streets	11,512,271	13,540,232	12,101,419	12,924,872
Health	4,085,316	4,163,354	4,194,045	4,133,883
Welfare	1,759,776	1,744,504	2,316,995	2,039,805
Culture and recreation	221,806	409,066	367,635	322,553
Interest	728,640	837,127	1,047,961	1,146,789
Total governmental activities expenses	48,650,473	54,023,679	54,392,987	54,412,472
Business-Type Activities				
Water and sewer	8,839,710	9,179,399	9,393,148	9,950,591
Commuter parking	259,434	263,394	233,701	284,607
Total business-type activities expenses	9,099,144	9,442,793	9,626,849	10,235,198
TOTAL PRIMARY GOVERNMENTAL EXPENSES	\$ 57,749,617	\$ 63,466,472	\$ 64,019,836	\$ 64,647,670
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 5,057,855	\$ 5,045,338	\$ 6,705,200	\$ 6,271,966
Public safety	2,658,824	2,242,952	1,580,052	1,486,144
Highway and streets	231,468	169,615	237,786	135,641
Other activities	305,467	320,488	65,933	70,964
Operating grants and contributions	594,223	1,800,781	2,551,348	2,338,965
Capital grants and contributions	2,812,836	764,283	406,734	443,278
Total governmental activities program revenues	11,660,673	10,343,457	11,547,053	10,746,958
Business-Type Activities				
Charges for services				
Water and sewer	8,888,249	8,774,681	8,500,396	8,916,621
Commuter parking	210,036	269,400	218,735	210,324
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	9,098,285	9,044,081	8,719,131	9,126,945
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 20,758,958	\$ 19,387,538	\$ 20,266,184	\$ 19,873,903
NET REVENUE (EXPENSE)				
Governmental activities	\$ (36,989,800)	\$ (43,680,222)	\$ (42,845,934)	\$ (43,665,514)
Business-type activities	(859)	(398,712)	(907,718)	(1,108,253)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (36,990,659)	\$ (44,078,934)	\$ (43,753,652)	\$ (44,773,767)

2011	2012	2013	2014	2015*	2016
\$ 6,992,107	\$ 6,233,324	\$ 7,356,433	\$ 10,171,883	\$ 11,514,091	\$ 9,949,082
27,276,948	28,134,173	29,771,502	30,812,251	38,535,612	38,328,609
18,141,803	15,853,017	18,570,593	19,923,120	26,650,772	19,990,440
4,289,103	4,407,533	4,459,897	4,591,946	4,538,800	4,620,982
1,902,841	1,909,062	1,868,952	1,844,911	1,813,254	2,109,733
353,308	406,606	443,171	425,217	453,534	515,555
1,329,499	1,033,923	1,016,337	2,899,466	2,064,448	1,926,793
60,285,609	57,977,638	63,486,885	70,668,794	85,570,511	77,441,194
10,444,247	11,129,942	12,078,221	13,779,500	14,143,610	16,054,624
327,224	345,715	346,303	329,988	269,619	390,118
10,771,471	11,475,657	12,424,524	14,109,488	14,413,229	16,444,742
\$ 71,057,080	\$ 69,453,295	\$ 75,911,409	\$ 84,778,282	\$ 99,983,740	\$ 93,885,936
\$ 6,343,828	\$ 7,068,010	\$ 6,908,188	\$ 7,785,745	\$ 4,458,450	\$ 4,496,290
1,545,333	1,412,279	1,583,328	1,712,860	1,796,729	1,795,838
108,865	126,660	269,066	414,316	183,246	290,172
32,040	39,163	41,220	515,095	4,467,864	4,799,080
2,749,168	1,974,867	2,356,665	2,209,036	1,912,795	2,629,030
65,905	72,175	288,752	140,181	47,274	-
10,845,139	10,693,154	11,447,219	12,777,233	12,866,358	14,010,410
9,081,731	10,990,923	11,507,264	11,970,681	12,434,405	12,931,867
219,040	225,214	234,458	254,784	261,745	334,102
-	-	-	373,498	8,889,998	244,423
9,300,771	11,216,137	11,741,722	12,598,963	21,586,148	13,510,392
\$ 20,145,910	\$ 21,909,291	\$ 23,188,941	\$ 25,376,196	\$ 34,452,506	\$ 27,520,802
\$ (49,440,470)	\$ (47,284,484)	\$ (52,039,666)	\$ (57,891,561)	\$ (72,704,153)	\$ (63,430,784)
(1,470,700)	(259,520)	(682,802)	(1,510,525)	7,172,919	(2,934,350)
\$ (50,911,170)	\$ (47,544,004)	\$ (52,722,468)	\$ (59,402,086)	\$ (65,531,234)	\$ (66,365,134)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 15,817,195	\$ 15,942,106	\$ 16,543,215	\$ 17,165,849
Utility	-	-	4,519,175	4,589,221
Business district	-	-	-	-
Home rule sales	12,773,695	14,862,634	4,061,202	4,392,753
Telecommunications	2,741,121	2,770,473	-	-
Other	9,712,568	10,346,444	1,524,823	1,598,056
Intergovernmental				
State sales and use	-	-	9,761,726	11,110,707
Income taxes	-	-	4,573,162	4,428,176
Replacement taxes	-	-	338,134	362,532
Property tax TIF rebate	-	-	-	-
Charitable games tax	-	-	-	-
Investment income	924,989	416,673	187,793	67,001
Miscellaneous	42,868	93,781	605,006	633,902
Transfers	-	-	-	8,370
Contributions	-	51,120	-	-
Total governmental activities	42,012,436	44,483,231	42,114,236	44,356,567
Business-Type Activities				
Property tax	1,504,501	1,505,394	1,520,602	1,513,114
Home rule sales tax	-	92,154	82,882	89,942
Investment income	262,430	159,150	26,646	1,653
Miscellaneous	-	-	56,761	75,267
Transfers	-	-	-	(8,370)
Total business-type activities	1,766,931	1,756,698	1,686,891	1,671,606
TOTAL PRIMARY GOVERNMENT	\$ 43,779,367	\$ 46,239,929	\$ 43,801,127	\$ 46,028,173
CHANGE IN NET POSITION				
Governmental activities	\$ 5,022,636	\$ 803,009	\$ (731,698)	\$ 691,053
Business-type activities	1,766,072	1,357,986	779,173	563,353
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 6,788,708	\$ 2,160,995	\$ 47,475	\$ 1,254,406

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

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015*	2016
\$	17,942,394	\$ 18,385,422	\$ 18,890,542	\$ 19,745,699	\$ 19,884,986	\$ 20,463,758
	4,624,678	4,658,265	3,891,713	4,093,596	3,774,729	3,629,525
	-	283,706	317,527	331,933	342,040	341,340
	4,673,134	4,750,232	5,035,998	5,320,795	5,367,762	5,553,213
	-	-	-	-	-	-
	1,976,997	2,408,064	2,952,665	3,421,604	3,940,993	3,645,424
	11,411,781	11,877,115	13,254,358	14,310,773	16,311,253	17,630,758
	4,328,196	4,759,513	5,161,051	5,186,155	5,763,542	5,272,834
	357,596	358,286	396,999	407,764	386,154	386,338
	-	-	-	-	365,634	380,758
	3,986	4,090	4,090	4,812	-	4,101
	29,043	42,452	29,785	(46,496)	24,784	76,594
	235,167	278,293	436,703	47,636	42,059	33,286
	-	-	-	-	(200,000)	-
	-	-	-	-	-	-
	45,582,972	47,805,438	50,371,431	52,824,271	56,003,936	57,417,929
	1,526,828	1,515,605	1,507,661	1,508,704	1,519,375	1,524,901
	107,576	99,795	104,050	100,697	101,595	-
	836	517	3,387	3,189	34,195	14,419
	73,858	(29,581)	90,713	77,468	94,424	90,810
	-	-	-	-	200,000	-
	1,709,098	1,586,336	1,705,811	1,690,058	1,949,589	1,630,130
\$	47,292,070	\$ 49,391,774	\$ 52,077,242	\$ 54,514,329	\$ 57,953,525	\$ 59,048,059
\$	(3,857,498)	\$ 520,954	\$ (1,668,235)	\$ (5,067,290)	\$ (16,700,217)	\$ (6,012,855)
	238,398	1,326,816	1,023,009	179,533	9,122,508	(1,304,220)
\$	(3,619,100)	\$ 1,847,770	\$ (645,226)	\$ (4,887,757)	\$ (7,577,709)	\$ (7,317,075)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
GENERAL FUND				
Reserved	\$ 40,910	\$ 228,750	\$ 88,492	\$ 53,536
Unreserved	12,774,003	12,312,075	10,110,989	10,364,455
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 12,814,913	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 3,329,107	\$ 2,523,221	\$ 4,762,560	\$ 2,188,376
Unreserved, reported in				
Special Revenue Funds	2,028,077	2,043,378	1,674,387	2,148,898
Debt Service Funds	-	(908,466)	(485,274)	(78,844)
Capital Project Funds	2,315,134	303,492	1,965,761	2,459,761
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,672,318	\$ 3,961,625	\$ 7,917,434	\$ 6,718,191

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

Data Source

Audited Financial Statements

2011*	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
100,590	98,150	297,762	337,165	204,023	188,247
10,704,282	11,466,179	11,580,820	12,508,457	17,016,920	18,496,104
<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>	<u>\$ 18,684,351</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
147,130	144,114	132,464	147,412	107,609	96,771
2,828,903	3,625,715	3,166,583	13,941,797	5,212,985	4,557,424
3,564,914	7,525,930	15,705,506	7,371,630	3,679,129	3,224,446
(5,578)	(664)	(689)	(789)	(448,034)	(688,716)
<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>	<u>\$ 7,189,925</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
REVENUES				
Taxes	\$ 26,460,490	\$ 27,287,056	\$ 26,648,415	\$ 27,740,802
Licenses, permits, and fees	3,445,370	3,094,828	3,748,456	3,394,211
Intergovernmental	17,783,855	19,104,781	17,274,500	18,719,087
Charges for services	3,780,453	3,618,419	3,832,341	3,789,976
Fines and forfeits	720,673	720,351	529,655	556,178
Investment income	924,989	416,673	137,142	55,457
Other reimbursements	-	-	-	-
Miscellaneous	557,279	533,460	834,738	781,149
Total revenues	53,673,109	54,775,568	53,005,247	55,036,860
EXPENDITURES				
General government	5,298,202	5,725,191	5,796,151	5,240,716
Public safety	24,767,992	25,906,274	26,384,953	26,935,085
Highways and streets	9,204,868	9,168,071	8,291,493	7,450,823
Health	4,102,547	4,156,319	4,188,172	4,128,010
Welfare	1,786,121	1,736,791	2,316,995	2,039,805
Culture and recreation	281,737	381,892	358,207	313,125
Capital outlay	2,437,381	6,623,970	14,296,659	7,739,590
Debt service				
Principal retirement	3,529,734	4,149,735	1,425,219	1,046,203
Interest and fiscal charges	1,044,123	891,181	1,023,907	1,124,236
Total expenditures	52,452,705	58,739,424	64,081,756	56,017,593
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,220,404	(3,963,856)	(11,076,509)	(980,733)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	16,080,000	-
Premium on bonds issued	-	-	124,535	-
Payment to escrow agent	-	-	(3,513,925)	-
Transfers in	105	809,422	635,100	450,000
Transfers (out)	(165,211)	(833,242)	(635,100)	(450,000)
Sale of capital assets	-	2,895	364	-
Total other financing sources (uses)	(165,106)	(20,925)	12,690,974	-
NET CHANGE IN FUND BALANCES	\$ 1,055,298	\$ (3,984,781)	\$ 1,614,465	\$ (980,733)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	8.78%	9.00%	4.55%	4.12%

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	29,217,203	\$ 30,485,689	\$ 31,088,445	\$ 32,564,624	\$ 33,433,891	\$ 34,113,260
	3,356,816	3,657,586	3,589,368	3,516,082	3,915,635	4,001,458
	18,895,261	18,862,827	21,103,909	23,914,974	26,018,173	27,434,551
	3,974,677	4,417,110	4,408,987	5,220,730	5,664,398	6,347,775
	548,993	403,036	430,960	587,966	511,536	414,885
	23,103	36,491	16,751	(46,495)	24,784	76,594
	-	-	-	-	-	35,000
	406,118	629,892	1,167,196	983,623	656,877	549,816
	56,422,171	58,492,631	61,805,616	66,741,504	70,225,294	72,973,339
	5,284,168	5,827,275	7,452,147	7,050,018	7,598,649	9,435,601
	26,992,535	28,022,943	29,233,562	30,706,685	30,350,270	32,512,612
	7,681,534	7,734,185	9,094,846	8,291,698	7,744,122	8,148,696
	4,286,754	4,405,184	4,457,548	4,590,027	4,589,156	4,585,572
	1,902,841	1,909,062	1,868,952	1,865,265	1,961,516	1,994,918
	346,068	399,366	435,931	421,517	467,611	499,208
	7,274,213	4,761,739	8,588,414	12,075,460	20,998,508	10,718,553
	1,377,700	1,479,732	1,537,312	2,987,587	3,048,912	3,243,840
	1,057,464	959,812	913,882	1,914,718	1,799,590	2,017,192
	56,203,277	55,499,298	63,582,594	69,902,975	78,558,334	73,156,192
	218,894	2,993,333	(1,776,978)	(3,161,471)	(8,333,040)	(182,853)
	5,160,000	5,475,000	9,800,000	6,290,000	-	17,835,000
	-	-	-	294,697	-	1,022,839
	(5,139,582)	(2,949,150)	-	-	-	(18,573,342)
	80,089	-	239,977	-	81,599	1,637,926
	(115,342)	-	(239,977)	-	(281,599)	(1,637,926)
	-	-	-	-	-	-
	(14,835)	2,525,850	9,800,000	6,584,697	(200,000)	284,497
\$	204,059	\$ 5,519,183	\$ 8,023,022	\$ 3,423,226	\$ (8,533,040)	\$ 101,644
	4.35%	4.40%	4.01%	7.02%	6.20%	7.32%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value as a Percentage of Actual Value
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%
2015	962,934,812	279,463,359	111,147,033	1,005,644	1,354,550,848	1.352	4,063,652,544	33.333%

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

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
VILLAGE DIRECT RATES										
Corporate	0.469	0.416	0.393	0.399	0.377	0.444	0.501	0.688	0.724	-
Bonds and interest	0.083	0.071	0.093	0.076	0.098	0.105	0.113	0.167	0.165	0.170
Garbage	0.126	0.110	0.090	0.089	0.098	0.109	0.121	0.026	-	-
Police Pension	0.085	0.077	0.078	0.102	0.137	0.147	0.167	0.214	0.208	0.236
Firefighters' Pension	0.083	0.076	0.078	0.088	0.119	0.131	0.149	0.180	0.179	0.190
Fire Protection	-	-	-	-	-	-	-	-	-	0.385
Police Protection	-	-	-	-	-	-	-	-	-	0.371
TOTAL DIRECT RATES	0.846	0.750	0.732	0.754	0.829	0.936	1.051	1.275	1.276	1.352
OVERLAPPING RATES										
Mount Prospect Library	0.482	0.439	0.441	0.450	0.519	0.582	0.646	0.761	0.758	0.801
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552
Consolidated Elections	-	0.012	-	0.021	-	0.025	-	0.031	-	0.034
Forest Preserve District	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069
Metropolitan Water Reclamation District	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426
Suburban TB Sanitarium	0.005	-	-	-	-	-	-	-	-	-
Township of Elk Grove	0.044	0.040	0.041	0.044	0.049	0.056	0.064	0.077	0.076	0.078
Township of Maine	0.073	0.065	0.064	0.067	0.075	0.085	0.096	0.120	0.119	0.124
Township of Wheeling	0.043	0.038	0.038	0.039	0.043	0.048	0.052	0.056	0.052	0.055
General Assistance Elk Grove	0.009	0.008	0.009	0.010	0.011	0.012	0.014	0.017	0.017	0.017
General Assistance Maine	0.016	0.015	0.015	0.016	0.018	0.021	0.023	0.029	0.029	0.031
General Assistance Wheeling	0.010	0.009	0.009	0.009	0.005	0.009	0.009	0.010	0.010	0.010
Road and Bridge Elk Grove	0.009	0.009	0.009	0.010	0.011	0.013	0.014	0.017	0.018	0.018
Road and Bridge Maine	0.038	0.034	0.033	0.034	0.038	0.043	0.049	0.061	0.062	0.065
Road and Bridge Wheeling	0.013	0.012	0.012	0.012	0.014	0.015	0.016	0.019	0.019	0.020
Northwest Mosquito Abatement District	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013	0.011
Arlington Heights High School #214	1.823	1.621	1.587	1.636	1.839	2.067	2.324	2.768	2.776	2.881
Community College District #512	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451	0.466
Arlington Heights Park District	0.461	0.404	0.379	0.392	0.450	0.496	0.545	0.633	0.636	0.626
Village of Mount Prospect										
Special Service Area #5	0.118	0.101	0.096	0.095	0.105	0.114	0.122	0.140	0.138	0.142
School District #59	2.013	1.791	1.810	1.945	2.129	2.422	2.673	3.172	3.176	3.291
Mount Prospect Park District	0.474	0.411	0.407	0.411	0.453	0.502	0.557	0.657	0.654	0.681

Tax levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
OVERLAPPING RATES (Continued)										
School District #57	2.694	2.334	2.246	2.195	2.521	2.748	3.041	3.478	3.241	3.364
School District #25	3.295	2.890	2.807	2.510	2.813	3.101	3.416	3.659	3.678	3.990
River Trails Park District	0.484	0.428	0.422	0.433	0.510	0.553	0.632	0.747	0.748	0.769
School District #26	3.047	2.698	2.696	2.703	3.131	3.458	3.873	4.563	4.572	4.742
Prospect Heights Park District	0.658	0.561	0.544	0.523	0.595	0.661	0.746	0.856	0.884	0.912
School District #23	2.948	2.418	2.363	2.253	2.571	2.869	3.273	3.932	3.922	4.062
School District #21	3.502	3.154	3.161	3.209	3.658	4.164	4.556	4.841	5.430	5.642
Des Plaines Park District	0.356	0.312	0.300	0.317	0.338	0.379	0.425	0.531	0.529	0.556
Prospect Heights Old Town Sanitary	0.074	0.039	0.015	0.015	0.017	0.020	0.023	0.028	0.028	-
Elk Grove Rural Fire Protection District	1.039	0.895	0.971	1.032	1.055	1.121	1.096	1.296	1.329	1.410
Prospect Heights Fire Protection District	0.795	0.693	0.677	0.652	0.755	0.845	0.934	1.091	1.102	1.148
High School District #207	1.826	1.602	1.577	1.617	1.782	1.995	2.215	2.722	2.739	2.901
Community College District #535	0.166	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258	0.271
School District #62	2.627	2.350	2.329	2.492	2.741	3.107	3.490	4.255	4.293	4.487
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP, AND SCHOOL DISTRICT #59										
	<u>6.961</u>	<u>6.212</u>	<u>6.114</u>	<u>6.346</u>	<u>6.997</u>	<u>7.913</u>	<u>8.813</u>	<u>10.418</u>	<u>10.420</u>	<u>10.819</u>
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	<u>12.2%</u>	<u>12.1%</u>	<u>12.0%</u>	<u>11.9%</u>	<u>11.8%</u>	<u>11.8%</u>	<u>11.9%</u>	<u>12.2%</u>	<u>12.2%</u>	<u>12.5%</u>
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP, AND SCHOOL DISTRICT #26										
	<u>7.999</u>	<u>7.121</u>	<u>7.000</u>	<u>7.100</u>	<u>7.990</u>	<u>8.940</u>	<u>9.998</u>	<u>11.783</u>	<u>11.786</u>	<u>12.242</u>
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	<u>10.6%</u>	<u>10.5%</u>	<u>10.5%</u>	<u>10.6%</u>	<u>10.4%</u>	<u>10.5%</u>	<u>10.5%</u>	<u>10.8%</u>	<u>10.8%</u>	<u>11.0%</u>

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

2016					2007				
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Randhurst Improvements, LLC.	Shopping Center	\$ 21,171,001	1	1.56%	Randhurst	Shopping Center	\$ 33,968,131	1	2.13%
Ramco-Gershenson Properties, L.P.	Shopping Center	20,212,777	2	1.49%	New Plan Excel Property	Mount Prospect Plaza - Retail	23,658,205	2	1.48%
Home Properties	Apartments	15,447,546	3	1.14%	Home Properties Colony	Colony Square Apartments	21,395,566	3	1.34%
Golf Plaza I & II	Shopping Center	13,252,769	4	0.98%	CRP Holdings	Real Estate	19,499,900	4	1.22%
United Airlines Inc.	Airline	13,243,050	5	0.98%	Golf Plaza	Shopping Center	17,744,319	5	1.11%
Crp-3 Acquisitions, LLC	Real Estate	10,943,334	6	0.81%	Huntington Square	Apartments	11,841,458	6	0.74%
First Industrial Rlty	Real Estate	8,269,908	7	0.61%	Cummins Alison Corp	Manufacturing	11,722,576	7	0.73%
Costco Properties	Warehouse Store	7,134,307	8	0.53%	Costco Property Tax	Warehouse Store	10,551,125	8	0.66%
LIT Industrial Limited	Real Estate	7,098,640	9	0.52%	Wal-Mart	Commercial Sales Store	9,475,929	9	0.59%
Cummins Alison Corp	Manufacturing	6,804,630	10	0.50%	Lake Center Plaza Partners	Office Building Management	9,365,101	10	0.59%
		<u>\$ 123,577,963</u>		<u>9.12%</u>			<u>\$ 169,222,310</u>		<u>10.59%</u>
Total 2014 Equalized Assessed Valuation		<u>\$ 1,354,550,848</u>		<u>100.00%</u>	Total 2004 Equalized Assessed Valuation		<u>\$ 1,597,309,461</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
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%	(77,462)	13,570,954	96.83%
2009	2008	14,472,269	14,137,805	97.69%	(13,794)	14,124,011	97.59%
2010	2009	15,194,636	14,856,084	97.77%	(129,263)	14,726,821	96.92%
2011	2010	15,194,635	14,961,411	98.47%	(45,676)	14,915,735	98.16%
2012	2011	15,852,352	15,614,490	98.50%	(12,537)	15,601,953	98.42%
2013	2012	16,477,871	16,278,228	98.79%	(5,594)	16,272,634	98.75%
2014	2013	17,301,436	17,064,355	98.63%	91,887	17,156,242	99.16%
2015	2014	17,741,219	17,521,845	98.76%	120,636	17,642,481	99.44%
2016	2015	18,313,527	18,130,372	99.00%	-	18,130,372	99.00%

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 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	\$ 1,114,511
Food	1,042,920	1,069,087	1,005,043	944,631	895,984	862,501	876,288	891,855	949,277	951,863
Drinking and eating places	583,799	564,572	522,897	544,118	596,008	661,285	764,653	778,314	825,994	884,477
Apparel	149,857	68,774	33,425	37,444	216,301	118,034	149,317	163,857	162,116	163,438
Furniture, H.H., and radio	274,809	243,339	225,436	224,221	237,392	255,967	240,289	221,977	220,663	209,712
Lumber, building hardware	801,315	704,972	650,987	668,852	683,905	670,057	750,191	756,113	791,285	821,872
Automobile and filling stations	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	1,492,452
Drugs and miscellaneous retail	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	6,594,754
Agriculture and all others	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	3,611,295
Manufacturers	110,189	184,057	93,616	129,476	135,019	110,009	182,433	383,370	433,798	500,199
TOTAL	\$ 8,811,400	\$ 10,066,919	\$ 9,055,194	\$ 10,388,196	\$ 10,614,443	\$ 11,040,405	\$ 12,342,153	\$ 13,285,441	\$ 15,126,650	\$ 16,344,573
VILLAGE DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	987
NUMBER OF TAXPAYERS	1,149	900	795	800	839	861	883	899	997	1,00%

Data Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BUSINESS DISTRICT SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012*	2013*	2014*	2015*	2016*
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,393	\$ 88,289	\$ 85,937	\$ 84,364	\$ 82,142
Food	-	-	-	-	-	18,898	19,146	20,989	20,747	21,846
Drinking and eating places	-	-	-	-	-	29,413	40,954	48,185	51,419	54,393
Apparel	-	-	-	-	-	16,341	15,594	19,302	19,963	21,716
Furniture, H.H., and radio	-	-	-	-	-	16,287	17,106	16,461	16,088	15,551
Lumber, building hardware	-	-	-	-	-	90,668	101,338	104,434	107,339	108,479
Automobile and filling stations	-	-	-	-	-	-	-	-	-	-
Drugs and miscellaneous retail	-	-	-	-	-	17,747	29,896	32,071	37,063	31,889
Agriculture and all others	-	-	-	-	-	4,959	5,203	4,554	5,057	5,323
Manufacturers	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,706	\$ 317,526	\$ 331,933	\$ 342,041	\$ 341,339
VILLAGE HOME RULE SALES TAX RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%

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

Data Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 *
General merchandise	\$ 811,505	\$ 967,261	\$ 693,008	\$ 811,120	\$ 749,509	\$ 900,240	\$ 885,410	\$ 864,254	\$ 861,799	\$ 858,739
Food	197,945	261,398	248,128	266,766	254,207	238,050	240,013	234,082	249,683	246,759
Drinking and eating places	434,613	558,908	519,177	539,414	592,596	656,376	754,898	766,264	808,304	862,052
Apparel	112,251	68,267	33,424	37,442	153,487	117,928	148,991	163,487	161,630	162,986
Furniture, H.H., and radio	205,312	240,192	223,116	220,694	232,711	251,253	235,936	218,184	217,031	206,542
Lumber, building hardware	598,495	701,258	646,990	665,409	680,356	665,891	743,492	752,301	787,000	817,396
Automobile and filling stations	494,408	640,842	596,221	697,383	891,042	922,948	948,339	956,255	893,301	831,269
Drugs and miscellaneous retail	381,387	413,511	407,587	484,085	432,639	454,001	509,608	508,772	488,963	439,702
Agriculture and all others	621,576	819,975	647,829	632,050	659,611	514,937	492,238	550,929	548,380	623,624
Manufacturers	80,093	180,157	89,263	126,598	131,640	107,183	179,710	380,685	431,129	497,623
TOTALS	\$ 3,937,585	\$ 4,851,769	\$ 4,104,743	\$ 4,480,961	\$ 4,777,798	\$ 4,828,806	\$ 5,138,635	\$ 5,395,213	\$ 5,447,220	\$ 5,546,692
NUMBER OF TAXPAPERS	1,149	900	795	800	839	861	883	899	997	987
VILLAGE HOME RULE SALES TAX RATE	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Fiscal Year	State Rate	County Rate	Regional Transportation Authority	Village Direct Rate	Home Rule Sales Tax Rate	Total
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%
2016 *	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%

* Business District is assessed additional 0.25% sales tax.

Data Source

State of Illinois

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Tax Increment Financing Bonds	IEPA Loan Payable (1)	Installment Note (2)	Business District Limited Tax Note Payable	General Obligation Bonds			
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	-	543,015	1,940,000	31,790,140	-	80,201,086	4.46%	1,481
2016	43,905,073	-	359,175	1,525,000	31,767,253	-	77,556,501	4.31%	1,432

* See the schedule of Demographic and Economic Information on page 203 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

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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
2016	43,905,073	168,152	43,736,921	1.08%	807.45

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 195 for property value data.

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

Data Sources

Audited financial statements
Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2016

Governmental unit	(1) Gross Debt	(2) Percentage Debt Applicable to the Village of Mount Prospect	(3) Village of Mount Prospect Share of Debt
Village of Mount Prospect	\$ 77,556,501	100.000%	\$ 77,556,501
County of Cook	3,264,281,750	1.023%	33,393,602
Forest Preserve District of Cook County	159,490,000	1.023%	1,631,583
Metropolitan Water Reclamation District	2,716,750,000	1.042%	28,308,535
Community College District #535	30,895,000	0.016%	4,943
Community College District #512	148,515,000	8.933%	13,266,845
School District #214	39,760,000	18.355%	7,297,948
School District #207	6,020,000	0.077%	4,635
School District #57	6,295,000	94.904%	5,974,207
School District #26	9,360,000	77.743%	7,276,745
School District #25	14,555,000	2.670%	388,619
School District #23	8,380,000	7.622%	638,724
School District #21	33,950,000	2.988%	1,014,426
School District #59	15,235,000	14.847%	2,261,940
Arlington Heights Park District	12,390,000	1.598%	197,992
Des Plaines Park District	528,015	1.655%	8,739
Mount Prospect Park District	4,040,000	63.995%	2,585,398
	<u>6,470,444,765</u>		<u>104,254,881</u>
	<u>\$ 6,548,001,266</u>		<u>\$ 181,811,382</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 2015 assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in Village of Mount Prospect.
- (3) Amount in column (2) multiplied by amount in column (1).

Data Source

Comprehensive Annual Financial Reports on file with Cook County Treasurer's Office.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2016

The Village is a home rule municipality.

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

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Equalized Assessed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
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	1,354,550,848	1,798,831,903	33,209	4.30%
2016	54,167	N/A	1,798,831,903	33,209	4.60%

Note: 2016 Equalized Assessed Valuation is not available until 2017.

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

2016				2007			
Employer	Rank	Employees	% of Total Village Population	Employer	Rank	Employees	% of Total Village Population
CVS Caremark	1	1,250	2.31%	Caremark, Inc. *	1	940	1.67%
Robert Bosch Tool Corporation	2	650	1.20%	Robert Bosch Tool Corp. *	2	576	1.02%
Cummins-Allison Corporation	3	500	0.92%	Metropolitan Life *	3	445	0.79%
Village of Mount Prospect	4	315	0.58%	Cummins-Allison Corporation	4	409	0.73%
Rauland Borg	5	300	0.55%	Village of Mount Prospect	5	335	0.60%
Mount Prospect School District 57	5	300	0.55%	Mount Prospect School District 57	6	300	0.53%
Carson Pirie Scott	7	267	0.49%	Prospect High School *	7	250	0.44%
Township High School No. 214	8	225	0.42%	Jewel Food Stores	8	240	0.43%
Jewel Food Stores	9	189	0.35%	Home Depot	9	216	0.38%
Home Depot	9	189	0.35%	Walmart	10	200	0.36%
Wal-Mart Stores, Inc.	9	189	0.35%				

* Based on 2006 information

Data Source

Village Records

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010
PUBLIC REPRESENTATION/COMMUNITY AND CIVIC SERVICES				
Total	1.05	1.05	1.05	1.05
GENERAL GOVERNMENT				
Village administration				
Administration	16.45	16.95	16.95	14.95
Finance	15.00	15.00	15.00	13.00
Total	31.45	31.95	31.95	27.95
Community development				
Community development	22.90	23.40	23.15	20.48
Community development/CDBG	1.20	1.20	1.20	1.25
Total	24.10	24.60	24.35	21.73
Human services department				
Total	7.60	7.60	10.60	9.50
PUBLIC SAFETY AND PROTECTION				
Police Department	111.50	111.50	111.50	97.83
Fire Department	84.20	84.20	82.20	74.75
Total	195.70	195.70	193.70	172.58
PUBLIC WORKS DEPARTMENT				
Administration	3.35	3.35	3.35	2.85
Streets/buildings/parking	14.80	14.60	14.80	11.35
Forestry	10.80	10.80	10.80	10.70
Engineering	8.30	8.30	8.30	8.00
Water/sewer	26.15	26.15	26.15	26.50
Refuse disposal	2.90	2.90	2.90	2.90
Parking	-	-	-	-
Vehicle maintenance	8.90	9.10	10.90	10.90
Total	75.20	75.20	77.20	73.20
VILLAGE TOTAL	335.10	336.10	338.85	306.01

Data Source

Village budget

2011	2012	2013	2014	2015	2016
2.10	2.10	2.10	2.05	2.15	2.20
2.10	2.10	2.10	2.05	2.15	2.20
14.95	15.45	15.45	15.45	16.85	16.75
13.00	13.00	13.00	13.00	13.00	13.00
27.95	28.45	28.45	28.45	29.85	29.75
20.48	17.75	18.50	18.50	18.50	18.75
1.25	1.25	1.00	1.00	1.00	0.75
21.73	19.00	19.50	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	99.50	100.50	100.50	99.50	101.50
74.75	74.50	74.50	74.50	75.00	81.00
172.58	174.00	175.00	175.00	174.50	182.50
2.85	2.85	2.85	2.85	2.85	3.85
11.85	11.85	12.45	12.40	12.40	12.35
9.75	9.75	9.25	9.35	9.25	8.35
8.00	8.00	8.00	8.00	8.00	8.00
25.00	25.00	24.75	24.75	24.75	2.90
2.90	2.90	2.90	2.90	2.90	24.75
0.90	0.90	0.90	0.90	0.90	0.90
10.90	10.90	10.75	10.75	10.75	10.75
72.15	72.15	71.85	71.90	71.80	71.85
306.01	305.20	306.40	306.40	307.30	315.30

VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010
FINANCE DEPARTMENT				
Vehicle stickers issued	38,851	39,208	39,650	40,018
Utility bills	97,677	86,577	86,458	86,057
Real estate transfer tax stamps sold	1,249	947	986	1,086
COMMUNITY DEVELOPMENT				
Building Division				
Permits issued	2,801	2,687	2,415	2,922
Plan reviews	553	452	420	505
Building code inspections	8,438	7,631	8,564	8,783
Environmental Health Division				
Inspections				
Food service	392	340	394	400
Multi-family buildings	476	279	491	664
Swimming pools/spa	62	59	28	-
PUBLIC SAFETY				
Police				
Number of crimes	4,295	4,242	3,921	3,696
Number of service calls	26,694	25,631	23,600	22,028
Number of arrests	1,928	1,769	1,736	1,898
Moving violations	7,985	8,723	10,355	10,139
Parking citations	9,438	10,690	10,256	11,317
Fire				
Fire calls	2,273	2,019	1,817	1,888
EMS calls	3,518	3,487	3,535	3,465
Fire prevention inspections	3,652	3,264	4,258	3,790
Training hours	22,837	21,073	23,851	24,313
PUBLIC WORKS				
Streets				
Street reconstruction (miles)				
Street resurfacing (miles)	7.00	5.00	5.80	5.00
Crack filling (lbs)	57,660	55,000	57,118	46,846
Leaves removed (cubic yards)	15,187	16,272	18,970	15,424
Water				
Water mains installed (lineal feet)	3,200	8,079	5,475	5,475
Water billed (1,000 gallons)	1,440,716	1,369,479	1,346,272	1,296,556
Sanitary sewers cleaned (ft)	70,000	30,000	55,150	55,150
Refuse (single/multi-family)				
Solid waste collected (tons)	32,928	32,101	30,231	31,963
Recycling (tons)	6,728	6,644	6,154	6,117

* 2016 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

2011	2012	2013	2014	2015	2016*
39,834	43,092	43,490	43,803	41,964	40,815
86,701	90,147	152,312	152,519	152,703	152,850
1,022	1,282	1,451	1,409	1,433	1,472
2,821	2,278	2,383	2,400	2,490	2,500
515	595	524	500	536	525
8,508	9,154	7,824	9,500	10,590	10,000
394	405	393	345	409	400
664	565	568	575	1,043	1,000
-	-	-	-	-	-
3,359	3,178	2,809	2,670	2,399	2,400
19,943	19,184	19,206	19,300	18,906	18,500
1,845	1,602	1,509	1,410	1,178	1,205
7,026	5,979	6,152	5,800	4,839	4,800
9,363	7,640	7,314	8,000	7,166	7,000
2,350	1,892	1,967	1,996	1,883	1,865
3,590	3,885	3,912	4,200	4,061	4,135
3,418	3,308	3,144	3,400	2,700	3,500
23,578	21,340	21,149	21,257	21,454	26,970
4.70	5.20	7.50	18.90	9.80	6.50
40,871	51,885	49,153	50,100	51,412	54,300
14,843	12,569	14,577	13,000	14,000	13,900
-	-	-	-	1,990	600
1,287,525	1,341,268	1,284,779	1,301,528	1,204,478	1,224,661
54,236	58,922	65,000	70,000	120,000	75,000
32,264	31,385	29,494	31,598	30,605	28,101
6,644	6,028	5,692	6,777	5,369	5,477

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	35	35	34	34	34	33	33	32	32	30
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	22	22	22	22	22	20	23	23	22	21
PUBLIC WORKS										
Residential streets (miles)	134	134	134	134	134	134	135	134	134	135
WATER										
Water mains (miles)	166	166	166	162	162	162	161	160	160	160
Fire hydrants	2,328	2,328	2,328	2,295	2,291	2,295	2,274	2,242	2,240	2,243
Storage capacity (gallons)	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
WASTEWATER										
Sanitary sewers (miles)	93	93	93	71	71	71	71	71	71	72
Storm sewers (miles)	123	124	124	128	128	128	135	135	108	108
Combined sewers (miles)	59	59	59	54	54	54	54	54	54	55

Data Source

Various village departments

ADDITIONAL DISCLOSURES REQUIRED BY SEC RULE 15c2-12

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

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2016	As Per Cent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2015	\$ 1,386,802,698 ⁽³⁾	100.00%	33.33%	\$ 25,602.35
Estimated True Value of Taxable Real Property, 2015	4,160,408,094	300.00%	100.00%	76,807.06
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 43,905,074	3.17%	1.06%	\$ 810.55
Self-Supporting Debt	33,651,427	2.43%	0.81%	621.25
Total Direct Bonded Debt	\$ 77,556,501	5.59%	1.86%	\$ 1,431.80
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 38,129,032	2.75%	0.92%	\$ 703.92
Other Than Schools	66,125,849	4.77%	1.59%	1,220.78
Total Overlapping Bonded Debt	\$ 104,254,881	7.52%	2.51%	\$ 1,924.69
Total Direct and Overlapping Bonded Debt	\$ 181,811,382	13.11%	4.37%	\$ 3,356.50
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 148,159,955	10.68%	3.56%	\$ 2,735.24

- 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, 2016".
3. The Village's 2015 equalized assessed valuation includes \$32,251,850 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, 2016)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments	Total Maturities		Lewy	Property
	Property Taxes	Annual Amount	Cumul. Percent	Year	Taxes
2017	2,910,000	2,910,000	6.8%	2016	4,263,465
2018	3,085,000	3,085,000	14.1%	2017	4,367,410
2019	3,200,000	3,200,000	21.6%	2018	4,404,313
2020	4,920,000	4,920,000	33.1%	2019	5,167,707
2021	4,465,000	4,465,000	43.6%	2020	5,424,547
2022	3,760,000	3,760,000	52.4%	2021	5,505,142
2023	2,825,000	2,825,000	59.1%	2022	3,550,906
2024	2,285,000	2,285,000	64.4%	2023	2,917,356
2025	2,390,000	2,390,000	70.1%	2024	2,941,556
2026	2,470,000	2,470,000	75.9%	2025	2,943,356
2027	2,545,000	2,545,000	81.8%	2026	2,937,506
2028	2,635,000	2,635,000	88.0%	2027	2,944,156
2029	1,760,000	1,760,000	92.1%	2028	1,982,806
2030	790,000	790,000	94.0%	2029	924,906
2031	820,000	820,000	95.9%	2030	923,306
2032	850,000	850,000	97.9%	2031	920,506
2033	885,000	885,000	100.0%	2032	921,506
	<u>\$42,595,000</u>	<u>\$42,595,000</u>			

- Notes: 1. The Village is a home rule unit under the 1970 Illinois Constitution and as such has no debt limit, nor is it required to seek referendum approval for the issuance of general obligation debt. The Village had entered into five installment contracts with the Illinois EPA (excluded from the table above) to provide funding for a portion of the Village's storm water/flood control program. The remaining two installment contracts (each with semi-annual payments) have final maturities on November 1, 2017 and June 3, 2019. Total principal outstanding on the IEPA installment contracts was \$359,175 as of December 31, 2016. Debt service is being paid from the Village's ¼ cent home rule sales tax instituted effective September 1, 1991 for the purpose of funding the Village's flood control program.

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

Village Issue		Ratio to Estimated Actual Value				Per Capita (3)	
		Direct Debt		Direct & Overlapping Debt		Direct & Overlapping Debt	
		Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)
Sale Date	Amount						
January 21, 2003	12,235,000	1.39%	1.05%	3.77%	3.43%	2,544.05	2,316.16
December 15, 2006	10,000,000	0.78%	0.69%	2.72%	2.63%	2,362.39	2,287.21
February 17, 2009	10,000,000	0.72%	0.72%	2.45%	2.45%	2,445.85	2,445.85
December 1, 2009	3,430,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42
December 1, 2009	2,650,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42
July 29, 2011	4,100,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
July 29, 2011	5,160,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
January 3, 2012	2,975,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
September 10, 2013	9,800,000	0.92%	0.92%	3.42%	3.42%	3,042.80	3,043.80
February 4, 2014	6,279,000	1.13%	1.09%	3.74%	3.71%	3,253.40	3,223.59
September 8, 2016	8,735,000	2.00%	1.16%	5.29%	4.45%	3,934.38	3,309.47
December 1, 2016	9,100,000	1.90%	1.09%	5.25%	4.43%	3,908.70	3,296.96

- 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 54,589 beginning in 2010.

EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES (Note 1)

Tax Levy Year (2)	Real Property			
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)	Increase Over Prior Year
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%
2015	1,354,550,848	32,251,850	1,386,802,698	(2.6%)

- 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, 2016**

SCHOOL DISTRICTS:	Percent of Village's 2015 Real Property in Taxing Body	Gross Bonded Debt	Village's Applicable Share of Gross Debt to be Paid From Property Taxes (1)	
			Percent	Amount
Elementary Districts:				
Mount Prospect No. 57	37.7%	6,295,000	94.904%	5,974,207
Community Consolidated No. 59	26.7%	15,235,000	14.847%	2,261,940
River Trails No. 26	26.4%	9,360,000	77.743%	7,276,745
Wheeling Community Consolidated No. 21	3.4%	33,950,000	2.988%	1,014,426
Arlington Heights No. 25	3.2%	14,555,000	2.670%	388,619
Prospect Heights No. 23	2.5%	8,380,000	7.622%	638,724
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	39,760,000	18.355%	7,297,948
Maine Township No. 207	0.2%	6,020,000	0.077%	4,635
Community Colleges:				
Oakton No. 535	0.2%	30,895,000	0.016%	4,943
Harper No. 512	99.8%	148,515,000	8.933%	13,266,845
Total Schools				38,129,032
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,423,771,750	1.023%	35,025,185
Metropolitan Water Reclamation District	100.0%	2,716,750,000	1.042%	28,308,535
Park Districts:				
Mount Prospect	66.8%	4,040,000	63.995%	2,585,398
River Trails	25.4%	-	-	-
Arlington Heights	2.8%	12,390,000	1.598%	197,992
Des Plaines	1.8%	528,015	1.655%	8,739
Prospect Heights	3.3%	-	-	-
Total Other Than Schools				66,125,849

Notes: 1. Village's share based upon 2015 Real Property valuations.

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

Village of Mount Prospect:	Levy Years				
	2011	2012	2013	2014	2015
Bonds and Interest	\$ 0.105	\$ 0.113	\$ 0.167	\$ 0.165	\$ 0.170
Pensions (Police, Fire)	0.278	0.316	0.393	0.387	0.426
Police Protection	-	-	-	-	0.372
Fire Protection	-	-	-	-	0.384
Corporate	0.444	0.501	0.689	0.724	-
Garbage	0.109	0.121	0.026	-	-
Total Village	\$ 0.936	\$ 1.051	\$ 1.275	\$ 1.276	\$ 1.352
Cook County, Including Forest Preserve District	0.520	0.594	0.629	0.637	0.621
Metropolitan Water Reclamation District	0.320	0.370	0.417	0.430	0.426
Mount Prospect Park District	0.502	0.557	0.657	0.654	0.681
Mount Prospect Public Library	0.582	0.646	0.761	0.758	0.801
Special Service Area No. 5	0.114	0.122	0.140	0.138	0.142
Community Consolidated School District No. 59	2.422	2.673	3.172	3.176	3.291
Township High School District No. 214	2.067	2.324	2.768	2.776	2.881
Harper College No. 512	0.334	0.373	0.444	0.451	0.466
All Other	0.116	0.103	0.155	0.124	0.158
Total (2)	\$ 7.913	\$ 8.813	\$ 10.418	\$ 10.420	\$ 10.819
Village as a Percent of Total	11.8%	11.9%	12.2%	12.2%	12.5%

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, 2016 (Note 1)	
			Amount	Percent (2)
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%
2015	2016	18,313,527	18,130,372	99.00%

- 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, LLC.	Shopping Center	21,171,001	1.56%
2	Ramco-Gershenson Properties	Shopping Center	20,212,777	1.49%
3	Home Properties	Colony Square Apartments	15,447,546	1.14%
4	Golf Plaza I and II	Shopping Center	13,252,769	0.98%
5	United Airlines Inc.	Corporate Offices	13,243,050	0.98%
6	CRP 3 Acquisitions, LLC	Real Estate	10,943,334	0.81%
7	First Industrial Realty	Real Estate	8,269,908	0.61%
8	Costco Properties	Warehouse Store	7,134,307	0.53%
9	LIT Industrial Limited	Real Estate	7,098,640	0.52%
10	Cummins Allison Corporation	Manufacturing	6,804,630	0.50%
			\$ 123,577,963	9.12%

- Notes:
1. Valuations as of January 1, 2015 for 2016 tax purposes.
 2. Total 2015 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,354,550,848.

2009 AND 2015 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2009	2015	% Increase	2009	2015
Residential	1,452,220,540	962,934,812	-33.69%	71.98%	71.09%
Commercial	387,256,513	279,463,359	-27.84%	19.20%	20.63%
Industrial	177,285,176	111,147,033	-37.31%	8.79%	8.21%
Railroad	649,124	1,005,644	54.92%	0.03%	0.07%
Total	2,017,411,353	1,354,550,848	-32.86%	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 2016 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				2016	
	2012	2013	2014	2015	Budget	Actual
Revenues:						
Property Taxes	12,099,210	12,645,791	14,392,732	15,317,183	15,884,000	15,917,480
Sales Taxes	12,252,909	13,627,166	14,640,814	16,370,735	17,030,000	17,202,418
State Income Taxes	4,759,513	5,161,051	5,186,155	5,763,542	5,350,000	5,272,834
Licenses, Permits & Fees	3,657,586	3,589,368	2,496,760	2,428,969	2,273,000	2,350,787
Utility Taxes	4,658,265	4,658,265	4,093,598	3,774,729	3,857,000	3,629,525
Charges for Service	1,741,906	1,858,829	1,928,223	1,699,217	1,671,300	1,782,869
Fines & Forfeits	403,036	430,960	470,466	511,536	442,000	414,885
Investment Income	29,927	6,561	(64,978)	8,612	4,100	49,202
Food & Beverage Tax	710,328	719,190	738,642	759,073	720,000	805,172
Real Estate Transfer Tax	515,330	853,617	954,644	1,371,699	1,050,000	1,049,770
All Other Revenues	1,789,713	1,445,740	2,450,829	2,315,618	2,896,820	3,076,582
Total Revenues	\$ 42,617,723	\$ 44,996,538	\$ 47,287,885	\$ 50,320,913	\$ 51,178,220	\$ 51,551,524
Expenditures:						
General Government						
Public Representation Division	110,257	114,948	142,574	137,716	137,184	141,249
Village Manager's Office	3,106,851	3,185,452	3,166,149	3,529,065	4,320,097	4,031,450
Finance Department	1,505,295	1,843,581	2,007,010	1,945,587	2,035,030	1,972,523
Community Development - Administration	644,281	661,459	673,549	662,596	810,159	734,282
Benefit Payments	46,004	46,150	46,300	46,455	46,616	46,615
Total General Government	\$ 5,412,688	\$ 5,851,590	\$ 6,035,582	\$ 6,321,419	\$ 7,349,086	\$ 6,926,119
Public Safety:						
Code Enforcement	739,004	711,081	880,723	812,292	906,018	877,060
Police Department	15,286,394	15,783,921	16,578,937	16,277,671	17,540,844	17,067,883
Fire & Emergency Protection Department	11,946,079	12,678,986	13,166,937	13,171,002	14,598,987	14,473,302
Total Public Safety	\$ 27,971,477	\$ 29,173,988	\$ 30,626,597	\$ 30,260,965	\$ 33,045,849	\$ 32,418,245
Highways & Streets	6,307,158	7,342,643	7,500,480	6,935,457	7,858,003	7,282,165
Health	143,295	142,062	151,586	148,731	251,496	160,555
Welfare	1,624,282	1,569,824	1,585,083	1,529,810	1,574,584	1,561,199
Culture & Recreation	399,366	435,931	421,517	467,611	556,424	499,208
Net Transfers (In)/Out	-	166,247	-	281,599	576,367	1,240,625
Total Expenditures	\$ 41,858,266	\$ 44,682,285	\$ 46,320,845	\$ 45,945,592	\$ 51,211,809	\$ 50,088,116
Revenues Over (Under) Expenditures	\$ 759,457	\$ 314,253	\$ 967,040	\$ 4,375,321	\$ (33,589)	\$ 1,463,408
Ending Fund Balance	\$ 11,564,329	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 17,187,354	\$ 18,684,351

Balance Sheet – December 31

Assets:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Cash & Investments	\$ 7,352,604	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092
Receivables					
Property Taxes	12,657,923	14,543,097	15,160,497	15,733,573	16,087,246
Other Taxes	5,290,786	5,711,586	5,747,674	6,344,148	6,772,937
All Other	448,569	492,912	468,180	471,824	435,700
Due From Other Funds	91,318	212,603	154,882	473,348	735,763
Due From Other Governments	274,942	53,602	136,834	159,403	653,254
All Other Assets	98,150	297,762	337,165	204,023	188,247
Total Assets	<u>\$ 26,214,292</u>	<u>\$ 28,198,218</u>	<u>\$ 28,884,484</u>	<u>\$ 34,396,093</u>	<u>\$ 36,765,239</u>
Liabilities & Fund Balance					
Accounts Payable	\$ 621,570	\$ 334,043	\$ 216,535	\$ 578,648	\$ 833,274
Deferred Revenues					
Property Taxes	12,554,622	14,396,036	15,138,046	15,691,708	16,087,246
All Other Liabilities	1,473,771	1,589,557	684,281	904,794	1,160,368
Fund Balance:					
Nonspendable	98,150	297,762	337,165	204,023	188,247
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	11,466,179	11,580,820	12,508,457	17,016,920	18,496,104
Total Fund Balance	<u>\$ 11,564,329</u>	<u>\$ 11,878,582</u>	<u>\$ 12,845,622</u>	<u>\$ 17,220,943</u>	<u>\$ 18,684,351</u>
Total Liabilities & Fund Balance	<u>\$ 26,214,292</u>	<u>\$ 28,198,218</u>	<u>\$ 28,884,484</u>	<u>\$ 34,396,093</u>	<u>\$ 36,765,239</u>

- Notes: 1. This condensed financial information for the years ending December 31, 2012-2016 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 2012-2015 and Summary 2016 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

					Fiscal Year Ended December 31, 2016			
	2012	2013	2014	2015	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance
					Property Tax	Total		
Governmental Fund Types (2):								
General Fund *	\$ 11,564,329	\$ 11,878,582	\$ 12,845,622	\$ 17,220,943	\$ 15,917,480	\$ 51,551,524	\$ 1,463,408	\$ 18,684,351
Special Revenue Funds:								
Motor Fuel Tax	\$ 509,470	\$ 338,861	\$ 1,397,365	\$ 1,927,676	\$ -	\$ 1,404,337	\$ 537,806	\$ 2,465,482
Community Development Block Grant	-	-	-	-	-	432,946	-	-
Refuse Disposal *	2,355,748	2,445,117	1,652,809	1,191,201	-	4,597,437	172,420	1,363,621
Asset Seizure	40,479	42,659	83,675	92,655	-	85,356	80,424	173,079
DEA shared Funds	4,919	11,514	19,938	19,951	-	62	62	20,013
DUI Fines	55,431	65,287	101,080	124,735	-	34,385	(3,286)	121,449
Foreign Fire Tax Fund	227,346	273,346	287,977	302,729	-	91,486	38,949	341,678
Justice Assistant Grant Fund	835	-	-	-	-	-	-	-
Business District Fund	434,120	83	-	-	-	1,554,244	-	-
Total Special Revenue	3,628,348	3,176,867	3,542,844	3,658,947	\$ -	\$ 8,200,253	826,375	4,485,322
Debt Service *	135,817	121,491	131,635	154,206	2,272,000	4,990,481	13,946	168,152
Capital Projects (3)	7,530,930	15,705,506	17,785,571	4,738,536	2,274,278	8,231,081	(1,514,090)	3,224,446
Total Governmental	\$ 22,859,424	\$ 30,882,446	\$ 34,305,672	\$ 25,772,632	\$ 20,463,758	\$ 72,973,339	\$ 789,639	\$ 26,562,271
Proprietary & Fiduciary Fund Types								
Enterprise Funds (4):								
Water and Sewer *	33,055,996	34,086,453	34,240,404	41,273,710	\$ 1,524,901	\$ 12,931,867	\$ (663,060)	40,610,650
Village Parking System	331,280	323,832	349,414	643,238	-	334,102	(54,860)	588,378
Internal Service Funds (5)	13,420,662	14,587,299	15,797,609	17,537,531	-	12,106,701	1,636,531	19,174,062
Pension Trust Funds:								
Police Pension	48,922,651	55,375,975	58,819,925	58,500,040	-	8,214,647	3,476,646	61,976,686
Firefighter's Pension	47,233,555	53,716,416	56,568,339	56,856,702	-	6,532,091	1,488,127	58,344,829
Total Proprietary & Fiduciary	\$ 142,964,144	\$ 158,089,975	\$ 165,775,691	\$ 174,811,221	\$ 1,524,901	\$ 40,119,408	\$ 5,883,384	\$ 180,694,605
Total All Funds (Memo Only)	\$ 165,823,568	\$ 188,972,421	\$ 200,081,363	\$ 200,583,853	\$ 21,988,659	\$ 113,092,747	\$ 6,673,023	\$ 207,256,876

* Designated as major funds.

	2012	2013	2014	2015	2016
Cash & Investments at 12/31 (6):					
General Fund	\$ 7,352,604	\$ 6,886,656	\$ 6,879,252	\$ 11,009,774	\$ 11,892,092
Internal Service Funds	9,567,402	10,830,350	10,476,211	11,551,998	13,177,384
Refuse Disposal	2,022,049	2,231,180	1,365,133	844,053	960,475
Other Special Revenue Funds	1,179,343	1,575,858	2,716,735	3,541,745	4,399,893
Debt Service Funds	20,636	113,267	130,210	138,721	167,652
Subtotal	\$ 20,142,034	\$ 21,637,311	\$ 21,567,541	\$ 27,086,291	\$ 30,597,496
Capital Project Funds	6,657,075	15,487,737	16,290,597	5,442,661	2,794,596
Water & Sewer	4,356,739	5,382,441	4,697,147	3,185,314	3,179,625
Other Enterprise Funds	345,528	316,808	300,258	488,612	428,260
Pension Trust Funds	95,892,376	108,760,597	115,091,487	115,116,154	119,963,475
Other Fiduciary Funds	1,443,227	1,511,610	1,209,488	1,136,998	1,368,315
Total	\$ 128,836,979	\$ 153,096,504	\$ 159,156,518	\$ 152,456,030	\$ 158,331,767

Notes: 1. This condensed financial information for the years ending December 31, 2012-2016 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, 2016 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, 2012-2015. 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, 2016, 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, 2016)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,291,446	Land	\$ 17,551,172
Construction in Progress	\$ 2,110,797	Construction in Progress	\$ 418,164
Total Assets Not Being Depreciated	\$ 12,402,243	Total Assets Not Being Depreciated	\$ 17,969,336
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	5,017,968
Infrastructure and All Other	100,009,924	Infrastructure	28,893,528
Total Capital Assets Being Depreciated	\$ 138,455,529	Total Capital Assets Being Depreciated	\$ 38,787,312
Less Accumulated Depreciation	\$ 86,573,735	Less Accumulated Depreciation	\$ 20,168,020
Total Capital Assets Being Depreciated, Net	\$ 51,881,794	Total Capital Assets Being Depreciated, Net	\$ 18,619,292
Net Assets	\$ 64,284,037	Net Assets	\$ 36,588,628

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.