

VILLAGE OF MELROSE PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017



Prepared by the Finance Department

VILLAGE OF MELROSE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

December 31, 2017

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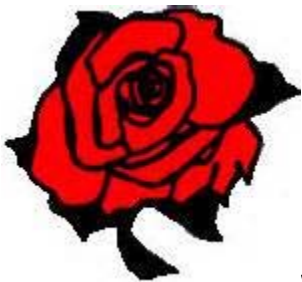
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FINANCIAL SECTION



VILLAGE OF MELROSE PARK, ILLINOIS



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Trustees
Village of Melrose Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village of Melrose Park, Illinois' 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 did not audit the financial statements of the Pension Trust Funds, which represent 85.36 percent, 104.85 percent, and 66.11 percent, respectively, of the assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Motor Fuel Tax Fund which was reported as part of the non-major governmental funds in the prior year, is now presented as a major fund in the governmental fund financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in Village net pension liability and related ratios, schedules of employer contributions and schedule of funding progress on pages 3–11 and 83–92 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 and other auditors 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 of Melrose Park, Illinois' basic financial statements. The combining and individual fund financial statements, and other information 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 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has 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.

GW & Associates, P.C.

Hillside, Illinois

July 2, 2018

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The management discussion and analysis of the Village of Melrose Park's (the "Village") financial performance is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

Financial Highlights

At December 31, 2017, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$114.7 million (net position) compared to liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources by \$128.8 million in the prior year.

The increase in net position from the prior year is mostly due to the increase in business-type activity of \$6.4 million and a change in net pension liabilities based upon increased future funding in the governmental activities that led to an increase in net position of \$7.7 million.

The Village's governmental funds reported combined fund balance at December 31, 2017 of \$8.8 million, a decrease of \$4.0 million from the prior year. While the decrease is mainly due to the spending down of accumulated fund balances in tax increment financing funds, another factor was the Village's decision to provide an additional \$3.6 million in funding in excess of property tax receipts remitted to the pension funds. Total funding to the pensions totaled \$5.9 million.

General revenues accounted for \$42.8 million in revenue or 79% of all governmental activity revenues. Program specific revenues accounted for \$11.7 million or 21% of total governmental revenues.

The Village had \$47.0 million in expenses related to governmental activities.

Reporting the Village as a Whole

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Interfund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the Statement of Net Position that presents information about all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved. As prescribed in GASB 34, the Village has implemented all infrastructure into its capital assets. Infrastructure assets include roads, sidewalks traffic signals, etc. These infrastructure assets are the largest asset class of the Village.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The second government-wide statement is the Statement of Activities, which reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works and public welfare. Business-type activities include water and sewer utilities. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and therefore are not included in the government-wide statements.

The Village's financial reporting includes the funds of the Village (primary government). The Melrose Park Public Library is included as a "component unit", and therefore, adjustments were made to blend financial information from this separate entity into this report.

The government-wide financial statements are presented on pages 12-13 of this report.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The following table provides a summary of the Village's changes in net position:

	STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2017 (In Millions of Dollars)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenue:						
Program revenues - charges for services	\$ 6.6	\$ 6.2	\$ 27.3	\$ 25.8	\$ 33.9	\$ 32.0
Operating & capital grants	5.1	0.9	-	-	5.1	0.9
General revenues						
Property tax	18.8	19.8	-	-	18.8	19.8
Other taxes	18.5	18.1	-	-	18.5	18.1
Intergovernmental	4.0	4.0	-	-	4.0	4.0
Other general revenues	1.5	1.2	-	-	1.5	1.2
Total revenue	54.5	50.2	27.3	25.8	81.8	76.0
Expenses:						
General government	6.1	5.8	-	-	6.1	5.8
Public safety	25.9	38.2	-	-	25.9	38.2
Refuse	1.9	1.8	-	-	1.9	1.8
Highway and street	3.2	4.1	-	-	3.2	4.1
Community development	5.2	4.7	-	-	5.2	4.7
Culture and recreation	1.9	2.0	-	-	1.9	2.0
Hispanic liaison center	0.2	0.2	-	-	0.2	0.2
Interest	2.4	2.8	-	-	2.4	2.8
Water	-	-	20.9	21.1	20.9	21.1
Total expense	46.8	59.6	20.9	21.1	67.7	80.7
Change in net assets before transfers and contributions	7.7	(9.4)	6.4	4.7	14.1	(4.7)
Transfers	-	-	-	-	-	-
Change in net position	7.7	(9.4)	6.4	4.7	14.1	(4.7)
Net position- Beginning	(183.0)	(173.6)	54.2	49.5	(128.8)	(124.1)
Net position - Ending	\$ (175.3)	\$ (183.0)	\$ 60.6	\$ 54.2	\$ (114.7)	\$ (128.8)

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The following is a table providing a summary of the statement of net position:

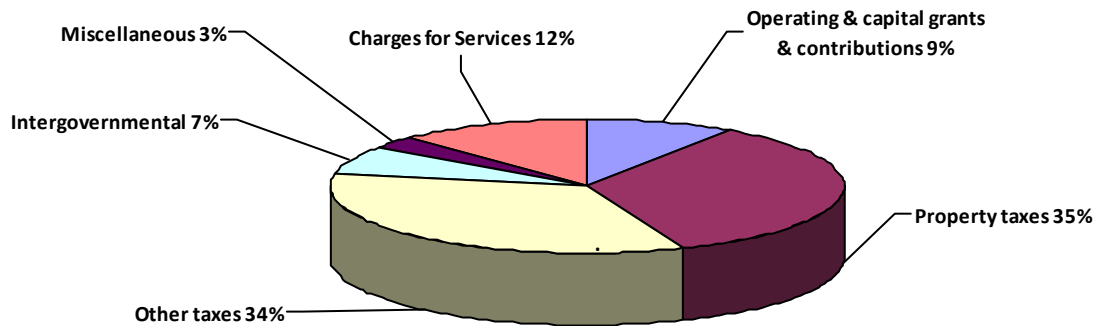
STATEMENT OF NET POSITION						
December 31, 2017						
(In Millions of Dollars)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 30.2	\$ 31.9	\$ 38.0	\$ 33.5	\$ 68.2	\$ 65.4
Capital assets	64.6	60.4	35.6	36.4	100.2	96.8
Total assets	94.8	92.3	73.6	69.9	168.4	162.2
Deferred outflows of resources	16.9	18.5	1.2	1.3	18.1	19.8
Long-term liabilities	188.5	258.8	12.3	14.0	200.8	272.8
Other liabilities	5.7	12.0	1.8	2.7	7.5	14.7
Total liabilities	194.2	270.8	14.1	16.7	208.3	287.5
Deferred Inflows of resources	24.1	23.0	0.1	0.2	24.2	23.2
Investment in capital assets						
net of related debt	49.3	43.4	29.4	26.7	78.7	70.1
Restricted net position	7.6	8.8	4.6	4.6	12.2	13.4
Unrestricted net position	(232.2)	(235.2)	26.6	22.9	(205.6)	(212.3)
Total net position	\$ (175.3)	\$ (183.0)	\$ 60.6	\$ 54.2	\$ (114.7)	\$ (128.8)

Financial Analysis of the Government-Wide Statements

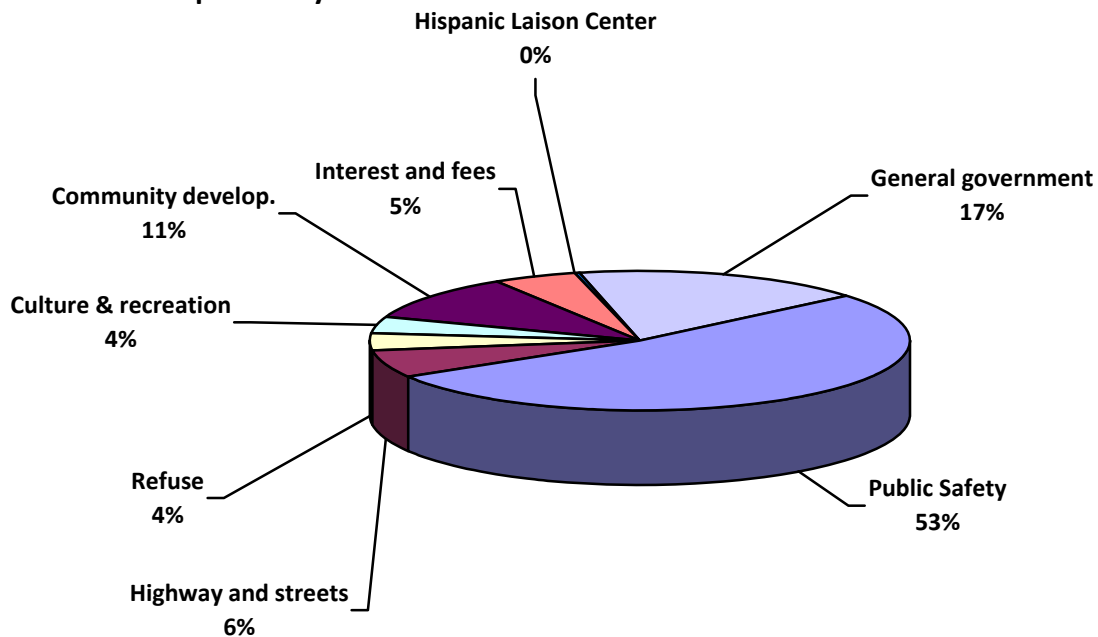
For governmental activities, total revenue increased by \$4.3 million from the prior year. However, expenses decreased by \$12.8 million with most of the decrease in public safety (down \$12.3 million) due to a change in assumptions based upon increases to future funding of pensions. With the increase in revenue and decrease in expense, the governmental activities experienced a gain of \$7.7 million.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Governmental Revenues by Source



Government Expenses by Function



Business-type activities revenues experienced an increase of \$1.5 million while expenses experienced a decrease of \$0.2 million compared to the prior year.

For governmental activities, current and other assets decreased by \$1.7 million from the prior year. The increase in net position from the prior year is mostly due to increased funding of the pensions which was the

VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

result of a decrease in net pension liability. The decrease in net pension liability was based upon anticipated increased future funding.

Reporting The Village's Most Significant Funds

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds (the General Fund and the Debt Service Fund) are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Village has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, Governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

Budgetary comparison schedules are included as required supplementary information for the General Fund. Budgetary comparison schedules for other funds with adopted budgets (Motor Fuel Tax Fund, E-911 Fund, Debt Service Fund and Water and Sewer Fund) can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

The basic governmental fund financial statements are presented on pages 14-17 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the Village charges customers a fee, otherwise known as enterprise funds. These funds essentially encompass the same functions reported as business-type activities in the government-wide statements. The Village's proprietary funds present the activities and balances in the Water and Sewer Fund, which is considered to be a major fund, using the accrual basis of accounting and economic resources measurement focus.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds.

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The basic proprietary fund financial statements are presented on pages 18-20 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

The basic fiduciary fund financial statements are presented on pages 21-22 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund and the Retiree Health Plan as well as budget to actual comparisons of the funds.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 93.

Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$8.7 million, down \$4.0 million from the prior year total of \$12.7 million.

Major Governmental Funds

The General Corporate Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance of the General Corporate Fund decreased \$0.5 million to \$7.6 million. The Village, as it has been in the past, is proud that it has been able to maintain a strong fund balance.

The general fund revenues are up nearly \$1.3 million from the prior year with sales tax and miscellaneous revenue being the primary causes of the increase. General fund expenditures are down approximately \$0.6 million. Decreases in highway and streets and culture and recreation costs were the primary cause of the decrease. Additionally, the Village has shown a commitment to funding pensions during the fiscal year by distributing an additional \$3.6 million, combined, to the fire and police pension funds in excess of dedicated property tax collections.

VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Actual revenue exceeded budgeted revenue by \$6.3 million. This was primarily a result of property taxes exceeding budget by about \$3.5 million and sales taxes exceeding budget by about \$1.4 million, licenses, permits and fees exceeding budget by \$1 million and charges for services exceeding budget by \$0.8 million. The Village has taken this as a continued sign of an improving local economy and the Village's committed effort in maintaining a strong local business community.

Actual expenditures were also under budget by \$1.0 million. Public safety expenditures were \$1.0 million over budget and community development added spending in the amount of \$2.9 million in excess of budget.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial status information.

Major Proprietary Funds

The Water and Sewer Fund is the only proprietary fund of the Village. Net income of the fund was \$6.4 million. Actual revenues of the Water and Sewer Fund exceeded budget by \$4.2 million. Operating expenses also exceeded budget by over \$6.4 million.

Capital assets

By the end of 2017, the Village has compiled a total investment of \$141.9 million (\$100.2 million net of accumulated depreciation) in a broad range of capital assets including police and fire equipment, buildings, Village facilities, water facilities, roads, streets, and sewer lines. Total investment in capital assets increased by \$5.7 million, which was mostly due to the addition of the vehicles (\$186K), various equipment (\$94k), infrastructure (\$3.9 million), and building improvements (\$1.5 million). Total depreciation expense for the year was \$2.4 million. More detailed information about capital assets can be found in note 3 of the basic financial statements.

Capital Assets (in millions of dollars)									
	Governmental Activities			Business-Type Activities			Total Primary Government		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
Land	\$ 27.3	\$ 27.2	0.4%	\$ 0.7	\$ 0.7	0.0%	\$ 28.0	\$ 27.9	0.4%
Construction in progress	0.2	0.3	-33.3%	-	-	0.0%	0.2	0.3	-33.3%
Buildings	13.5	13.8	-2.2%	0.8	0.8	0.0%	14.3	14.6	-2.1%
Improvements other than buildings	3.5	2.1	66.7%	-	-	0.0%	3.5	2.1	66.7%
Vehicles	2.1	2.3	-8.7%	0.2	0.1	100.0%	2.3	2.4	-4.2%
Machinery	1.5	1.7	-11.8%	0.1	0.2	-50.0%	1.6	1.9	-15.8%
Infrastructure	16.6	13.0	27.7%	33.7	34.6	-2.6%	50.3	47.6	5.7%
Total	\$ 64.7	\$ 60.4	7.1%	\$ 35.5	\$ 36.4	-2.6%	\$ 100.2	\$ 96.8	3.5%

**VILLAGE OF MELROSE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Long-term debt

At the end of 2017, the Village of Melrose Park had total long-term debt of \$200.7 million. The debt administration discussion covers six main types of debt reported by the Village's financial statements: bonds payable, interest payable on capital appreciation bonds, loans payable, line of credit, capital leases, and net pension liability. Bonds and Loans payable decreased due to the payment of scheduled principal maturities during the year. The other significant changes in long term debt were the large decrease in the net pension liability due to anticipated increased future funding and the increase net OPEB obligation. More detailed information about long-term debt can be found in Note 3 of the basic financial statements.

Long-Term debt

(in millions of dollars)

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
Bonds Payable	\$ 43.0	\$ 49.5	-13.1%	\$ 4.0	\$ 6.7	-40.3%	\$ 47.0	\$ 56.2	-16.4%
Loan payable	5.8	6.2	-6.5%	2.2	3.1	-29.0%	8.0	9.3	-14.0%
Net Pension Liability	123.0	195.7	-37.1%	1.6	1.4	0.0%	124.6	197.1	-36.8%
OPEB	16.7	14.2	17.6%	4.4	3.7	18.9%	21.1	17.9	17.9%
Total	\$ 188.5	\$ 265.6	-29.0%	\$ 12.2	\$ 14.9	-18.2%	\$ 200.7	\$ 280.5	-28.4%

Factors Bearing on the Village's Future

The Village is presently marketing the Village and working with developers to encourage new development. The Village is located in an Illinois enterprise zone and has the advantages of several incentive packages to industry that help keep it competitive as compared to other industrial locations. Also, the Village has approved a number of tax increment financing districts within the Village's boundaries. Other factors bearing on the Village's future are real estate tax objections/refunds, increases in water rates charges and inflation.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or would like to request additional information contact the Business Officer, Louis Panico III, Village of Melrose Park, 1000 North 25th Avenue, Melrose Park, IL 60160.

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Public
				Library
Assets				
Cash and investments	\$ 38,888,978	\$ 375,733	\$ 39,264,711	\$ -
Receivables (net of allowances for uncollectibles)				
Property taxes	15,427,348	-	15,427,348	918,280
Intergovernmental	4,421,668	-	4,421,668	-
Utility taxes	211,309	-	211,309	-
Water and sewer	-	3,737,372	3,737,372	-
Restricted cash and investments for debt service	-	4,617,595	4,617,595	-
Internal balances	(29,225,842)	29,225,842	-	-
Prepaid expenses	206,719	18,966	225,685	5,231
Due from component unit	233,272	-	233,272	-
Capital assets not being depreciated				
Land	27,250,583	711,826	27,962,409	333,332
Construction in progress	162,575	-	162,575	-
Capital assets net of accumulated depreciation				
Buildings and improvements	16,959,115	810,678	17,769,793	127,724
Vehicles and equipment	3,585,390	273,477	3,858,867	59,788
Infrastructure	16,594,696	33,757,373	50,352,069	-
Total assets	94,715,811	73,528,862	168,244,673	1,444,355
Deferred Outflows of Resources				
Loss on debt refunding	212,699	59,117	271,816	-
Deferred outflows related to pensions	13,859,214	1,149,734	15,008,948	-
Total deferred outflows of resources	14,071,913	1,208,851	15,280,764	-
Liabilities				
Accounts payable	3,099,127	1,449,178	4,548,305	16,710
Cash overdraft	-	-	-	536,307
Accrued payroll	816,157	-	816,157	-
Insurance claims payable	1,339,544	181,814	1,521,358	50,159
Payroll liabilities	291	-	291	-
Accrued interest payable	58,753	107,011	165,764	-
Other liabilities	403,528	-	403,528	-
Due to primary government	-	-	-	233,272
Noncurrent liabilities				
Due within one year	7,130,000	3,407,122	10,537,122	-
Due in more than one year	181,364,543	8,845,922	190,210,465	-
Total liabilities	194,211,943	13,991,047	208,202,990	836,448
Deferred Inflows of Resources				
Unearned revenues	15,411,104	-	15,411,104	897,168
Deferred inflows related to pensions	74,484,544	129,260	74,613,804	-
Total deferred inflows of resources	89,895,648	129,260	90,024,908	897,168
Net Position				
Net investment in capital assets	49,271,584	29,371,602	78,643,186	520,844
Restricted for				
Debt service	5,100,376	4,617,595	9,717,971	-
Community development	2,481,673	-	2,481,673	-
Unrestricted	(232,173,500)	26,628,209	(205,545,292)	(810,105)
Total net position	\$ (175,319,867)	\$ 60,617,406	\$ (114,702,461)	\$ (289,261)

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position			Component Unit Public Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 6,143,641	\$ 2,898,822	\$ -	\$ 67,544	\$ (3,177,275)	\$ -	\$ (3,177,275)	\$ -
Public safety	25,997,850	3,203,035	44,277	-	(22,750,538)	-	(22,750,538)	-
Highway and streets	3,175,795	39,287	1,121,921	3,904,743	1,890,156	-	1,890,156	-
Refuse	1,888,952	-	-	-	(1,888,952)	-	(1,888,952)	-
Culture and recreation	1,939,951	439,765	-	-	(1,500,186)	-	(1,500,186)	-
Hispanic liaison center	226,423	-	-	-	(226,423)	-	(226,423)	-
Community development	5,261,555	-	-	-	(5,261,555)	-	(5,261,555)	-
Interest and fees	2,386,505	-	-	-	(2,386,505)	-	(2,386,505)	-
Total government activities	47,020,672	6,580,909	1,166,198	3,972,287	(35,301,278)	-	(35,301,278)	-
Business-Type Activities								
Water and sewer	20,900,870	27,271,864	-	-	-	6,370,994	6,370,994	-
Total business-type activities	20,900,870	27,271,864	-	-	-	6,370,994	6,370,994	-
Total primary government	\$ 67,921,542	\$ 33,852,773	\$ 1,166,198	\$ 3,972,287	(35,301,278)	6,370,994	(28,930,284)	-
Component Unit - Public Library	\$ 962,725	\$ -	\$ 19,730	\$ -				(942,995)
General Revenues and Transfers								
Property taxes					18,835,718	-	18,835,718	977,926
Other taxes								
Sales taxes					15,260,619	-	15,260,619	-
Telecommunication taxes					584,455	-	584,455	-
Utility taxes					2,216,126	-	2,216,126	-
Amusement taxes					429,402	-	429,402	-
Intergovernmental								
State income tax					2,333,979	-	2,333,979	-
Gaming revenues					303,027	-	303,027	-
Personal property replacement tax					1,392,299	-	1,392,299	-
Investment income					94,368	10,157	104,525	-
Miscellaneous					1,496,925	-	1,496,925	7,487
Transfers					(7,112)	7,112	-	-
Total general revenues and transfers					42,939,806	17,269	42,957,075	985,413
Change in Net Position					7,638,528	6,388,263	14,026,791	42,418
Net Position - Beginning					(182,958,395)	54,229,143	(128,729,252)	(331,679)
Net Position - Ending					\$ (175,319,867)	\$ 60,617,406	\$ (114,702,461)	\$ (289,261)

VILLAGE OF MELROSE PARK, ILLINOIS
BALANCE SHEET- GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Major Funds			Nonmajor	Total
	General	Debt	Motor Fuel	Governmental	Governmental
	Fund	Service	Tax	Funds	Funds
Assets					
Cash and investments	\$ 26,864,848	\$ 5,097,504	\$ 762,320	\$ 6,164,306	\$ 38,888,978
Receivables (net of allowances for uncollectibles)					
Property taxes	13,719,303	1,708,045	-	-	15,427,348
Intergovernmental	4,265,519	-	156,149	-	4,421,668
Utility taxes	211,309	-	-	-	211,309
Prepaid Items	141,876	-	-	64,843	206,719
Due from component unit	233,272	-	-	-	233,272
Due from other funds	11,557,383	-	-	1,547,515	13,104,898
Total assets	<u>\$ 56,993,510</u>	<u>\$ 6,805,549</u>	<u>\$ 918,469</u>	<u>\$ 7,776,664</u>	<u>\$ 72,494,192</u>
Liabilities					
Accounts payable	\$ 2,575,657	\$ -	\$ 523,470	\$ -	\$ 3,099,127
Accrued payroll	816,157	-	-	-	816,157
Payroll liabilities	291	-	-	-	291
Insurance claims payable	151,062	-	-	-	151,062
Due to other funds	30,301,817	-	2,229,895	9,799,028	42,330,740
Other liabilities	328,892	-	-	74,636	403,528
Total liabilities	<u>34,173,876</u>	<u>-</u>	<u>2,753,365</u>	<u>9,873,664</u>	<u>46,800,905</u>
Deferred Inflows of Resources					
Unavailable revenue	15,212,407	1,705,175	-	-	16,917,582
Deferred inflows related to grants	-	-	100,000	-	100,000
Total deferred inflows of resources	<u>15,212,407</u>	<u>1,705,175</u>	<u>100,000</u>	<u>-</u>	<u>17,017,582</u>
Fund Balances					
Nonspendable	141,876	-	-	-	141,876
Restricted	-	5,100,374	-	2,557,025	7,657,399
Unassigned	7,465,351	-	(1,934,896)	(4,654,025)	876,430
Total fund balances	<u>7,607,227</u>	<u>5,100,374</u>	<u>(1,934,896)</u>	<u>(2,097,000)</u>	<u>8,675,705</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,993,510</u>	<u>\$ 6,805,549</u>	<u>\$ 918,469</u>	<u>\$ 7,776,664</u>	<u>\$ 72,494,192</u>

VILLAGE OF MELROSE PARK, ILLINOIS
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balances - governmental funds	\$ 8,675,705
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Village as a whole.

Cost of capital assets	89,854,589	
Depreciation expense to date	(25,302,230)	
		64,552,359

Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental balance sheet.	(1,188,482)
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Revenue that is deferred in the fund financial statements because it is not available is recognized as revenue in the government-wide financial statements.	1,606,478
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - interest payable.	(58,753)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds	(60,625,330)
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Deferred loss on debt refunding is not included in the governmental balance sheet.	212,699
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Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported in the governmental balance sheet.	(188,494,543)
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Net position of governmental activities	\$ (175,319,867)
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VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Major Funds			Nonmajor	Total
	General	Debt	Motor Fuel	Governmental	Governmental
	Fund	Service	Tax	Funds	Funds
Revenues					
Taxes					
Property	\$ 11,988,950	\$ 1,692,407	\$ -	\$ 5,154,361	\$ 18,835,718
Utility	2,216,126	-	-	-	2,216,126
Personal property replacement	1,392,299	-	-	-	1,392,299
Telecommunication	589,780	-	-	-	589,780
Sales	15,243,155	-	-	-	15,243,155
State income	2,333,979	-	-	-	2,333,979
Gaming	303,027	-	-	-	303,027
Amusement	429,402	-	-	-	429,402
Licenses, permits and fees	1,987,892	-	-	-	1,987,892
Fines and forfeitures	2,314,144	-	-	-	2,314,144
Charges for services	1,200,370	-	-	1,078,503	2,278,873
Investment income	45,419	15,577	1,695	31,677	94,368
Motor fuel tax	-	-	658,862	-	658,862
Grants	111,821	-	363,059	-	474,880
Other revenue	1,299,192	-	3,904,743	200,344	5,404,279
Total revenues	<u>41,455,556</u>	<u>1,707,984</u>	<u>4,928,359</u>	<u>6,464,885</u>	<u>54,556,784</u>
Expenditures					
Current					
General government	5,872,762	-	-	-	5,872,762
Public safety	25,837,101	-	-	762,355	26,599,456
Highway and streets	2,043,339	-	5,898,249	-	7,941,588
Refuse	1,888,952	-	-	-	1,888,952
Culture and recreation	1,778,150	-	-	-	1,778,150
Hispanic liaison center	225,017	-	-	-	225,017
Community development	3,162,570	-	-	1,928,970	5,091,540
Debt service					
Principal payments	411,512	3,155,000	-	3,610,000	7,176,512
Interest and fiscal charges	416,224	868,653	-	709,645	1,994,522
Total expenditures	<u>41,635,627</u>	<u>4,023,653</u>	<u>5,898,249</u>	<u>7,010,970</u>	<u>58,568,499</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(180,071)</u>	<u>(2,315,669)</u>	<u>(969,890)</u>	<u>(546,085)</u>	<u>(4,011,715)</u>
Other Financing Sources (Uses)					
Transfers in	1,055,550	3,246,252	-	5,090,841	9,392,643
Transfers out	(1,756,942)	(1,046,550)	(277,593)	(6,318,670)	(9,399,755)
Total other financing sources (uses)	<u>(701,392)</u>	<u>2,199,702</u>	<u>(277,593)</u>	<u>(1,227,829)</u>	<u>(7,112)</u>
Net Change in Fund Balances	<u>(881,463)</u>	<u>(115,967)</u>	<u>(1,247,483)</u>	<u>(1,773,914)</u>	<u>(4,018,827)</u>
Fund Balances - Beginning of Year	<u>8,488,690</u>	<u>5,216,341</u>	<u>(687,413)</u>	<u>(323,086)</u>	<u>12,694,532</u>
Fund Balances - End of Year	<u>\$ 7,607,227</u>	<u>\$ 5,100,374</u>	<u>\$ (1,934,896)</u>	<u>\$ (2,097,000)</u>	<u>\$ 8,675,705</u>

**VILLAGE OF MELROSE PARK, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances - total governmental funds	\$	(4,018,827)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$5,781,084 exceeded depreciation of \$1,681,026 in the current period.		4,100,058
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Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental funds, but are included in the Statement of Activities.		(155,582)
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The implicit costs of other post employment benefits which exceed contributions made by the Village are a long-term liability.		(2,574,641)
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Some of the bonds issued in the prior year are accretion bonds. Accretion of the bonds during the year increases the carrying value of the bonds and will be repaid using future year resources. The current year's accretion is charged to interest expense in the Statement of Activities.		(426,854)
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Premiums received and deferred charges from prior refundings, do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Amortization of deferred loss on refundings	\$ (91,928)	
Amortization of premiums	126,369	
Amortization of discounts	(6,580)	
		27,861

Some revenues not collected as of the year end are not considered available revenues in the governmental funds. These are the amounts that were not considered available in the current year.		112,139
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In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources.		
Interest payable		7,010

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		7,176,512
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The change in net pension liability and pension related deferred inflows and outflows are not recorded in the governmental funds, but it is recorded in the Statement of Activities and affects long-term liabilities in the Statement of Net Position.		3,390,852
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Change in net position of governmental activities	\$	7,638,528
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VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2017

	Water and Sewer
Assets	
Current assets	
Cash and investments	\$ 375,733
Accounts receivable (net of allowance)	3,737,372
Restricted cash and investments	4,617,595
Prepaid expenses	18,966
Due from other funds	29,225,842
Total current assets	<u>37,975,508</u>
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	711,826
Depreciable buildings, property, and equipment (net of accumulated depreciation)	<u>34,841,528</u>
Total noncurrent assets	<u>35,553,354</u>
Total assets	<u>73,528,862</u>
Deferred Outflows of Resources	
Loss on debt refunding	59,117
Deferred outflows related to pensions	<u>1,149,734</u>
Total deferred outflows of resources	<u>1,208,851</u>
Total assets and deferred outflows of resources	<u><u>\$ 74,737,713</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 1,449,178
Insurance claims payable	181,814
Accrued interest payable	<u>107,011</u>
Total current liabilities	<u>1,738,003</u>
Noncurrent liabilities	
Due within one year	3,407,122
Due after one year	<u>8,845,922</u>
Total noncurrent liabilities	<u>12,253,044</u>
Total liabilities	<u>13,991,047</u>
Deferred inflows of Resources	
Deferred inflows related to pensions	<u>129,260</u>
Total deferred inflows of resources	<u>129,260</u>
Net Position	
Net investment in capital assets	29,371,602
Restricted for	
Debt service	4,617,595
Unrestricted	<u>26,628,209</u>
Total net position	<u>60,617,406</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 74,737,713</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Water and Sewer
Operating Revenues	
Charges for services	\$ 27,271,864
Operating Expenses	
Water transmission	13,119,113
Administration	5,642,755
Sewer	833,473
Water and sewer facilities	67,935
Depreciation expense	870,971
Total operating expenses	20,534,247
Operating income (loss)	6,737,617
Nonoperating Revenues (Expenses)	
Investment income	10,157
Amortization of bond costs and fees	(19,705)
Interest expense	(346,918)
Total nonoperating revenues (expenses)	(356,466)
Income (Loss) Before Transfers	6,381,151
Transfers	
Transfers (out)	7,112
Total transfers	7,112
Change in Net Position	6,388,263
Fund Net Position- Beginning of Year	54,229,143
Fund Net Position- End of Year	\$ 60,617,406

**VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Water and Sewer
Cash Flows from Operating Activities	
Receipts from customers	\$ 26,944,846
Payments for interfund services	(3,570,983)
Payments for goods and services	(12,811,408)
Payments to or on behalf of employees	(2,247,931)
Net cash provided (used) by operating activities	<u>8,314,524</u>
Cash Flows from Noncapital Financing Activities	
Interfund transfers in	7,112
Interfund borrowing (lending)	(4,194,844)
Net cash provided by financing activities	<u>(4,187,732)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(60,151)
Principal paid on long-term liabilities	(3,504,833)
Interest paid on long-term liabilities	(417,675)
Net cash used by capital and related financing activities	<u>(3,982,659)</u>
Cash Flows from Investing Activities	
Interest received	10,157
Net cash provided by (used in) investing activities	<u>10,157</u>
Net Change in Cash and Cash Equivalents	<u>154,290</u>
Cash and Cash Equivalents- Beginning of Year	<u>4,839,038</u>
Cash and Cash Equivalents- End of Year	<u><u>\$ 4,993,328</u></u>
Cash and investments	375,733
Restricted cash and investments	4,617,595
Total Cash and Cash Equivalents- End of Year	<u><u>\$ 4,993,328</u></u>
Reconciliation of Operating Income (Loss) to	
Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 6,737,617
Adjustments to reconcile operating activities	
to net cash provided (used) by operating activities	
Depreciation	870,971
Decrease (increase) in accounts and unbilled usage receivable	(322,461)
Decrease (increase) in prepaids	158,737
(Decrease) increase in deposits payable	(4,557)
(Decrease) increase in pension related liabilities and deferrals	141,339
(Decrease) increase in other post employment benefits	684,398
(Decrease) increase in accounts payable, claims payable and other liabilities	48,480
Total adjustments	<u>1,576,907</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 8,314,524</u></u>

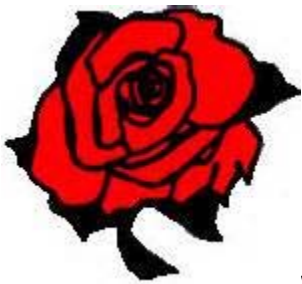
VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2017

	Pension Trusts	Agency
Assets		
Cash and cash equivalents	\$ 3,512,560	\$ 5,236
Investments		
U.S. government and agency obligations	5,602,606	-
Corporate bonds	4,994,788	-
Insurance company contracts	9,745,696	-
Equity mutual funds	21,092,632	-
State and local obligations	319,698	-
Receivables		
Accrued interest	59,384	-
Prepaid items	6,984	-
Total assets	<u>45,334,348</u>	<u>5,236</u>
Liabilities		
Due to other agencies	-	5,236
Expenses Due/Unpaid	21,575	-
Total liabilities	<u>21,575</u>	<u>5,236</u>
Net Position Held in Trust for Pension Benefits	<u><u>\$ 45,312,773</u></u>	<u><u>\$ -</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Pension Trusts
Additions	
Contributions	
Employer	\$ 5,951,393
Plan members	1,470,118
Total contributions	<u>7,421,511</u>
Investment Income	
Interest and dividends earned	800,180
Net appreciation in fair value of investments	4,434,469
Less investment expenses	<u>(46,649)</u>
Net investment earnings	<u>5,188,000</u>
Total additions	<u>12,609,511</u>
Deductions	
Administration	142,893
Benefits	7,936,350
Refunds	<u>85,080</u>
Total deductions	<u>8,164,323</u>
Change in Net Position	<u>4,445,188</u>
Net Position Held in Trust for Pension Benefits	
Beginning of Year	<u>40,867,585</u>
End of Year	<u><u>\$ 45,312,773</u></u>

NOTES TO FINANCIAL STATEMENTS



VILLAGE OF MELROSE PARK, ILLINOIS

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Melrose Park, Illinois (the “Village”) was incorporated in 1894. The Village is a home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a Mayor-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, senior programs, recreation center and general administrative services.

The accounting policies of the Village of Melrose Park, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Melrose Park. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the primary government.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Component Units

The Police Pension Employees Retirement System (PPERS) is established for the Village's police employees. 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 pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The Village and the PPERS participants are obligated to fund all 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 contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the component unit may be obtained at the entity's administrative offices - Police Pension Board, 1000 North 25th Avenue, Melrose Park, IL 60160.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the Village's firefighters. FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief; one pension beneficiary elected by the membership; and three fire employees elected by the membership constitute the pension board. The Village and the FPERS participants are obligated to fund all 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 possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the component unit may be obtained at the entity's administrative offices - Firefighters' Pension Board, 1000 North 25th Avenue, Melrose Park, IL 60160.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Unit

The Melrose Park Public Library

The government-wide financial statements include The Melrose Park Public Library (“library”) as a component unit. The library is a legally separate organization. The board of the library is separate from that of the Village. However, because it is fiscally dependent on the Village for approval of its budget and tax levy and because it poses a financial burden on the Village, the library is presented as a component unit. As a component unit, the library’s financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2017. The library does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and 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 Motor Fuel Tax Fund is a new major fund in 2017.

The Village reports the following major governmental funds:

General Fund – accounts for the Village’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Motor Fuel Tax – used to account for the revenues received from the Illinois Department of Transportation’s tax on motor fuel that is restricted for road related costs.

The Village reports the following major enterprise fund:

Water and Sewer Fund – accounts for operations of the water distribution system and sewer system.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Ruby Street TIF District	E911
9 th & North Avenue TIF District	Joyce Brothers TIF District
Lake Street Corridor TIF District	Zenith Opus TIF District
Senior First TIF District	Chicago Avenue & Superior TIF District
Mid Metro TIF District	25 th & North Avenue TIF District

Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

2003 MFT Bond

In addition, the Village reports the following fund types:

Pension (and other employee benefit) trust funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

The Pension Trust Funds – account for the activities of the Police and Firefighters' Pension funds, which accumulate resources for pension benefit payments to qualified public safety employees.

Agency funds are used to account for resources held by the Village in a custodial capacity for another entity (the West Cook Railroad Authority). Assets of the fund are matched by a liability.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Financial Statements

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 and liabilities 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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Illinois Statutes authorize the Village to make 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 or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The Village has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The Village's formal investment policy states the portfolio should provide the highest investment return with the maximum security while meeting the daily cash flow demand of the entity and conforming to all state and local statutes. The portfolio should maintain a comparable rate of return during a market or economic environment of stable interest rates. The portfolio performance should be compared to benchmarks with similar maturity, liquidity, and credit quality as the portfolio. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than one year from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investment are made to coincide as nearly practical with the expected use of funds.

The pensions' investment policies limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's and pension's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The police pension fund's investment policy limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. Besides investing in securities issued by the United States government, the Fund has no other formal policy for reducing credit risk.

The firefighters' pension fund's investment policy limits its exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The firefighters' pension fund's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Concentration of Credit Risk

The Village's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The Village's policy further states that no financial institution shall hold more than 50% of the Village's investment portfolio at the current time of investment placement. The Village operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the Village. The police pension investment policy does not have a formal written policy with regards to concentration of credit risk for investments. The fire pension fund's investment policy specifies "the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected result will not have an excessively detrimental impact on the entire portfolio."

Custodial Credit Risk - Deposits

The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution. Collateral shall be limited to securities of the United States of America or its agencies. The pension fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the pension fund's deposits with financial institutions.

Custodial Credit Risk - Investments

The Village and pension's investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. The Village categorizes its 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; Level 3 inputs are significant unobservable inputs. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 A for further information.

2. Receivables

Property taxes for levy year 2017 attach as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2017 tax levy, which attached as an enforceable lien on the property as of January 1, 2017, has been recorded as a receivable as of December 31, 2017.

Tax bills for levy year 2017 are prepared by the county and issued on or about February 1, 2018 and July 1, 2018, and are payable in two installments, on or about March 1, 2018 and August 1, 2018 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2017 property tax levy is recognized as a receivable and unearned revenue in fiscal year 2017, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2017, the property taxes receivable and unearned revenue consisted of the estimated amount collectible from the 2017 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 3.00% (\$513,640) of outstanding property taxes at December 31, 2017.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

4. Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000 for general capital assets and \$10,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	20 Years
Machinery and Equipment	1 - 10 years
Utility System	1 - 8 Years
Infrastructure	20 - 50 Years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The Village reports in the government-wide statements and proprietary fund statements the loss on debt refunding as a deferred outflow of resources which is amortized to interest expense over the shorter of the remaining life of the refunded debt or the life of the new debt. Additionally, the Village reports in the government-wide and proprietary fund statements deferred outflow of resources as related to pensions that will be recognized as pension expense in future periods for measurements such as differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on pension plan investments, and pension contributions made subsequent to the Measurement Date.

6. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

7. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. *Deferred Inflows of Resources*

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The Village reports unearned revenues related to property taxes (for both the government-wide and governmental fund financial statements) and revenues that do not meet the availability criterion (for governmental fund financial statements) as deferred inflows of resources. Additionally, the Village reports in the government-wide and proprietary fund statements deferred outflow of resources as related to pensions that will be recognized as pension expense in future periods for measurements such as differences between expected and actual experience, changes of assumptions, and net difference between projected and actual earnings on pension plan investments.

9. *Equity Classifications*

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net positions with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Village’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the Village classifies governmental fund balance as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Village Board. Fund balance amounts are committed through a formal action (resolution) of the Village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The Village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 G for further information.

Fiduciary fund equity is classified as net position held in trust for pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year-end. The Village adopts a budget for only the General Fund, Motor Fuel Tax Fund, E-911 Fund, Debt Service Fund and Water and Sewer Fund. All other funds did not adopt a budget.

Prior to December 31, the Village Comptroller submits to the Village Board a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village Comptroller is authorized to transfer budget amounts between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
Water & Sewer	14,103,861	20,534,247	6,430,386
Motor Fuel Tax	741,000	5,898,249	5,157,249
Debt Service	1,709,453	4,023,653	2,314,200
E-911	702,000	762,355	60,355

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report. Excess expenditures over budget were funded by available fund balance for Water and Sewer Fund, by interfund borrowing for the E-911 Fund and Motor Fuel Tax, and by transfers in to the Debt Service Fund.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2017, the following individual fund held a deficit balance:

Fund	Amount	Reason
E-911	\$3,208,512	Expenditures exceeded revenues as planned in the budget, no subsidized interfund transfer approved from General Fund in current year to offset planned deficit spending.
MFT	1,934,896	Expenditures exceeded revenues due to construction projects that were not planned, being paid from MFT funds.
Zenith Opus TIF District	73,840	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.
Senior First TIF District	1,050,155	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.
25th Ave & North TIF District	321,518	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.

The above fund deficits are anticipated to be funded with future transfers, general tax revenues and MFT allotments.

The governmental activities had deficit net position of \$175,319,867 as of December 31, 2017. In previous years, the deficit balance was primarily due to outstanding long-term debt that was issued to provide funding for public improvements for the Tax Increment Redevelopment Project Areas (RPA's), net of capital assets of the Village and the operating deficit of the Village as a whole. Certain revenues generated within the RPA's were pledged by the Village to retire the bonds and pay interest on the debt. Since the RPA's bonds are paid from revenues created in the future, this creates a deficit balance which will remain until the outstanding bonds are paid. Additionally, as a result of actuarial valuations

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

prepared in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the Village reported increased net pension liability balances for the Police Pension, Firefighters' Pension, and Illinois Municipal Retirement Funds in the current year, which further decreased net position.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The Village's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits with financial institutions	\$ 35,098,342	\$ 35,359,248	Custodial credit risk - deposits
Corporate bonds	4,994,788	4,994,788	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Money market mutual funds	12,300,352	12,300,646	Credit risk
U.S. government and agency obligations	5,602,606	5,602,606	Interest rate risk, Concentration of credit risk, Custodial credit risk - investments, Credit risk
State and local obligations	319,698	319,698	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Insurance company contracts	9,745,696	9,742,057	Concentration of credit risk, Custodial credit risk - investments
Equity mutual funds	21,092,632	21,092,632	Custodial credit risk - investments
Petty cash	1,408	-	N/A
Total deposits and investments	<u>\$ 89,155,522</u>	<u>\$ 89,411,675</u>	

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments	\$ 39,264,711
Restricted cash and investments	4,617,595

Per statement of net position-
fiduciary funds

Agency Fund cash	5,236
Pension Trusts cash	3,512,560
Pension Trusts investments	<u>41,755,420</u>

Total Deposits and Investments	<u><u>\$ 89,155,522</u></u>
--------------------------------	-----------------------------

At December 31, 2017, Village deposits were fully insured or collateralized, Firefighters' pension deposits were uninsured and uncollateralized for \$1,282,590 and Police pension deposits were uninsured and uncollateralized for \$1,336,118.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. As noted above, the pension funds were exposed to Custodial Credit risk for the year ended 2017.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village's investment policies require all securities to be held by a third party custodian designated by the comptroller and evidenced by safekeeping receipts and written custodian agreement.

As of December 31, 2017, the Village did not hold any assets classified as investments. Investments held by the Police Pension and Fire Pension Funds and related maturities are as follows:

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Police Pension Fund		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasuries	870,454	75,120	100,163	-	695,171
U.S. Agencies	1,679,122	3,833	523,556	54,757	1,096,976
Corporate Bonds	2,778,503	115,241	1,160,026	1,230,633	272,603
State and Local Obligations	52,448	-	-	-	52,448
Totals	<u>\$ 5,380,527</u>	<u>\$ 194,194</u>	<u>\$ 1,783,745</u>	<u>\$ 1,285,390</u>	<u>\$ 2,117,198</u>

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2017:

<u>Police Pension Fund</u>		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investment by Fair Value Level</u>	<u>December 31, 2017</u>			
Debt Securities				
U.S. Treasuries	\$ 870,454	\$ 870,454	\$ -	\$ -
U.S. Agencies	1,679,122	-	1,679,122	-
Corporate Bonds	2,778,503	-	2,778,503	-
State and Local Obligations	52,448	-	52,448	-
Equity Securities				
Insurance Contracts	9,745,696	9,745,696	-	-
Mutual Funds	<u>7,595,716</u>	<u>7,595,716</u>	<u>-</u>	<u>-</u>
Totals	\$ 22,721,939	\$ 18,211,866	\$ 4,510,073	\$ -

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Firefighters' Pension Fund		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
State and Local Obligations	\$ 267,250	\$ -	\$ -	\$ 64,972	\$ 202,278
U.S. Treasuries	1,620,759	184,758	516,036	429,100	490,865
U.S. Agencies	1,432,271	57,736	29,312	53,556	1,291,667
Corporate Bonds	2,216,285	-	1,046,089	860,809	309,387
Totals	<u>\$ 5,536,565</u>	<u>\$ 242,494</u>	<u>\$ 1,591,437</u>	<u>\$ 1,408,437</u>	<u>\$ 2,294,197</u>

The Fire Pension Fund has the following recurring fair value measurements as of December 31, 2017:

Investment by Fair Value Level	December 31, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 1,620,759	\$ 1,620,759	\$ -	\$ -
U.S. Agencies	1,432,271	-	1,432,271	-
Corporate Bonds	2,216,285	-	2,216,285	-
State and Local Obligations	267,250	-	267,250	-
Equity Securities				
Mutual Funds	13,496,916	13,496,916	-	-
Totals	<u>\$ 19,033,481</u>	<u>\$ 15,117,675</u>	<u>\$ 3,915,806</u>	<u>\$ -</u>

See Note 1D1 for further information on deposit and investment policies.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2017, the Village's investments were rated as follows:

Investment Type	Composite Ratings
Money Market Mutual Funds	AAAm

The investments in the securities of the U.S. government agencies were all rated triple A or Aaa by Standard & Poor's and by Moody's Investors Services.

The Police Pension Fund's investments in the state and local obligations were all rated AA or higher, securities of U.S. government agencies were all rated triple A and corporate bonds were all rated BBB or higher by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. Unrated investments are listed in the table below.

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corp.	\$18,668	3.50%	December 1, 2025
Federal Home Loan Mortgage Corp.	11,422	4.00%	June 1, 2026
Federal Home Loan Mortgage Corp.	110,504	3.50%	April 1, 2032
Federal Home Loan Mortgage Corp.	3,052	5.00%	October 1, 2039
Federal Home Loan Mortgage Corp.	146,542	3.50%	July 15, 2039
Federal Home Loan Mortgage Corp.	96,904	3.50%	April 15, 2041
Federal National Mortgage Association	1,361	4.00%	October 1, 2018
Federal National Mortgage Association	10,934	7.50%	April 1, 2024
Federal National Mortgage Association	1,886	4.50%	September 1, 2033
Federal National Mortgage Association	38,754	3.00%	April 1, 2043
Federal National Mortgage Association	86,406	3.00%	July 25, 2040
Federal National Mortgage Association	133,051	2.50%	December 25, 2041
Federal National Mortgage Association	107,536	3.00%	February 25, 2044

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

The Firefighters' Pension Fund's investments in the securities of state and local obligations were rated AA or better, U.S. government agencies were all rated triple A and corporate bonds were rated BBB or better by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. Unrated investments are listed in the table below.

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corp.	35,897	4.000%	June 1, 2026
Federal Home Loan Mortgage Corp.	27,152	3.565%	April 1, 2036
Federal Home Loan Mortgage Corp.	10,875	6.000%	January 1, 2039
Federal Home Loan Mortgage Corp.	8,323	5.000%	October 1, 2039
Federal Home Loan Mortgage Corp.	58,960	4.000%	July 1, 2040
Federal Home Loan Mortgage Corp.	27,703	4.500%	March 1, 2042
Federal Home Loan Mortgage Corp.	79,570	3.500%	April 1, 2042
Federal Home Loan Mortgage Corp.	265,483	3.000%	January 1, 2043
Federal Home Loan Mortgage Corp.	103,076	3.000%	October 1, 2043
Federal Home Loan Mortgage Corp.	32,157	3.500%	April 1, 2044
Federal Home Loan Mortgage Corp.	62,667	3.500%	August 1, 2045
Federal Home Loan Mortgage Corp.	41,438	3.500%	August 1, 2047
Federal National Mortgage Association	2,951	4.000%	October 1, 2018
Federal National Mortgage Association	1,450	5.500%	June 1, 2020
Federal National Mortgage Association	15,272	5.000%	April 1, 2025
Federal National Mortgage Association	55,971	2.500%	September 1, 2030
Federal National Mortgage Association	10,003	5.000%	February 1, 2031
Federal National Mortgage Association	38,406	3.000%	April 1, 2032
Federal National Mortgage Association	9,799	3.557%	January 1, 2036
Federal National Mortgage Association	11,471	3.267%	April 1, 2037
Federal National Mortgage Association	56,969	5.500%	July 1, 2037
Federal National Mortgage Association	21,326	4.500%	November 1, 2040
Federal National Mortgage Association	48,442	3.000%	April 1, 2043
Federal National Mortgage Association	13,435	3.500%	April 1, 2044
Federal National Mortgage Association	48,189	3.500%	November 1, 2045
Federal National Mortgage Association	80,452	3.500%	February 1, 2046

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2017, the Village's investment portfolio (excluding pensions) did not have any concentrations of holdings in excess of 5%.

At December 31, 2017, the Police Pension Fund has over 5% of plan net position, \$1,223,051, invested in various agency securities as indicated in the table located previously within the investment section and various insurance contracts and mutual funds listed below. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In accordance with the Pension Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.

The Police Pension Fund's investment policy has a stated target that 33% of its portfolio be in fixed income securities, 63% in equities, 2% real estate and 2% cash and equivalents. The Police Pension Board has diversified its insurance contract and mutual fund holdings as follows:

Holding	Fair Value
Mass Mutual Insurance Contracts	\$3,528,572 *
American General Insurance Contract	2,228,279 *
VOYA Insurance Contract	1,491,950 *
John Hancock Insurance Contract	1,255,982 *
Commonwealth Annuity Insurance Contract	1,235,022 *
Jackson National Life Insurance Contract	2,252
Total Insurance Contracts	<u>9,742,057</u>
Vanguard Institutional Index Fund	6,288,182 *
SPDR S&P 600 Small Cap ETF Fund	712,025
Schwab International Index Fund	393,268
Vanguard REIT ETF Fund	202,241
Total Equity Mutual Funds	<u>7,595,716</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2017, the Firefighters' Pension Fund has over 5% of plan net assets, \$1,042,587 invested in various agency securities as indicated in the table within the investment section and various mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. Although not required by the investment policy, the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

The Firefighters' Pension Fund's investment policy has a stated target that 32% of its portfolio be in fixed income securities, 6.5% in real estate and 58.5% in equities with the remaining 3% cash and equivalents. The Firefighters' Pension Board has diversified its insurance contracts and mutual fund holdings as follows:

Holding	Fair Value
Vanguard Total Stock Market Index Fund	\$10,316,869 *
Schwab International Index Fund	2,590,671 *
Vanguard REIT ETF Fund	<u>589,376</u>
Total Equity Mutual Funds	<u><u>13,496,916</u></u>

*Represents over 5% of Fiduciary Net Position

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with the investment policies of both Pension Funds, the Funds limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)**B. RECEIVABLES**

Receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Water and Sewer Fund</u>	<u>Nonmajor and Other Funds</u>
Receivables					
Property taxes	\$ 14,143,197	\$ 1,797,791	\$ -	\$ -	\$ -
Sales taxes	3,938,511	-	-	-	-
State income taxes	-	-	-	-	-
Motor fuel taxes	-	-	56,149	-	-
Telecommunication		-	-	-	
taxes	140,401	-	-	-	-
Replacement taxes	134,522	-	-	-	-
Utility	211,309	-	-	-	-
Accounts	-	-	-	3,737,372	-
Other	52,085	-	100,000	-	-
Gross receivables	<u>18,620,025</u>	<u>1,797,791</u>	<u>156,149</u>	<u>3,737,372</u>	<u>-</u>
Less: Allowance for uncollectibles	<u>(423,894)</u>	<u>(89,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 18,196,131</u>	<u>\$ 1,708,045</u>	<u>\$ 156,149</u>	<u>\$ 3,737,372</u>	<u>\$ -</u>

All of the receivables on the balance sheet are expected to be collected within one year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not available and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been earned during the fiscal year, but are received beyond 60 days of year end making them unavailable to liquidate current year liabilities. At the end of the current fiscal year, the various components of *deferred inflow of resources* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year - General Fund	\$ 13,705,930
Property taxes receivable for subsequent year - Debt Service	1,705,175
Sales/use taxes- General Fund	1,458,179
Telecommunication taxes- General Fund	48,262
Grant - Motor Fuel Tax	100,000
Other - General Fund	<u>36</u>
 Total unavailable revenue	 <u><u>\$ 17,017,582</u></u>

C. RESTRICTED ASSETS

Following is a list of restricted assets at December 31, 2017:

	Restricted Assets
Water Fund Cash for Debt service	<u>\$ 4,617,595</u>
Total Restricted Assets	<u><u>\$ 4,617,595</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

D. CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 27,184,963	\$ 68,230	\$ 2,610	\$ 27,250,583
Construction in Progress	291,523	162,575	291,523	162,575
Total Capital Assets Not Being Depreciated	27,476,486	230,805	294,133	27,413,158
Capital Assets Being Depreciated				
Improvements Other than Buildings	2,834,739	1,472,172	-	4,306,911
Buildings	22,784,299	103,000	-	22,887,299
Machinery and Equipment	4,667,804	94,070	-	4,761,874
Vehicles	6,283,926	186,317	-	6,470,243
Infrastructure	20,155,199	3,859,905	-	24,015,104
Total Capital Assets Being Depreciated	56,725,967	5,715,464	-	62,441,431
Less: Accumulated Depreciation for				
Improvements Other than Buildings	713,782	71,316	-	785,098
Buildings	8,995,611	454,386	-	9,449,997
Machinery and Equipment	2,975,850	274,269	-	3,250,119
Vehicles	3,969,944	426,664	-	4,396,608
Infrastructure	7,094,965	325,443	-	7,420,408
Total Accumulated Depreciation	23,750,152	1,552,078	-	25,302,230
Total Capital Assets Being Depreciated, Net	32,975,815	4,163,386	-	37,139,201
Governmental Activities Capital Assets, Net	\$ 60,452,301	\$ 4,394,191	\$ 294,133	\$ 64,552,359

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$	229,508
Public safety		560,498
Highways and street, including infrastructure		440,014
Community development		170,015
Hispanic Liason Center		1,406
Culture and recreation		150,637
Total Governmental Activities Depreciation Expense	\$	<u>1,552,078</u>

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 699,347	\$ -	\$ -	\$ 699,347
Land Improvements	12,479	-	-	12,479
Total Capital Assets Not Being Depreciated	711,826	-	-	711,826
Capital Assets Being Depreciated				
Buildings	1,622,017	-	-	1,622,017
Equipment	298,165	-	-	298,165
Water system infrastructure	48,766,448	-	-	48,766,448
Vehicles	601,709	60,152	-	661,861
Total Capital Assets Being Depreciated	51,288,339	60,152	-	51,348,491
Less Accumulated Depreciation for				
Buildings	786,489	24,850	-	811,339
Equipment	135,042	19,228	-	154,270
Water system infrastructure	14,220,828	788,248	-	15,009,076
Vehicles	493,632	38,646	-	532,278
Total Accumulated Depreciation	15,635,991	870,971	-	16,506,963
Total Capital Assets Being Depreciated, Net	35,652,348	(810,819)	-	34,841,528
Business-Type Capital Assets, Net	<u>\$ 36,364,174</u>	<u>\$ (810,819)</u>	<u>\$ -</u>	<u>\$35,553,354</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water and Sewer	\$ <u>870,971</u>
Total Business-Type Activities Depreciation Expense	\$ <u>870,971</u>

E. INTERFUND RECEIVABLES/PAYABLES

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Other Funds	\$ 9,327,488
General	Motor Fuel Tax	2,229,895
Other Funds	General	1,075,975
Other Funds	Other Funds	471,540
Water	General	<u>29,225,842</u>
Total - Fund Financial Statements		<u>42,330,740</u>
Less: Fund Eliminations		<u>(13,104,898)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 29,225,842</u>

All amounts are due within one year.

The principal purpose of these interfunds were purchases made with cash from a different fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the course of operations, numerous transactions occur between individual funds of the Village for the goods provided or services rendered. Those receivables and payables which relate to the Melrose Park Public Library are classified as "Due from Component Units" and "Due to Primary Government".

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2017, the discretely presented component unit - Library Fund had a payable balance of \$233,272 due to the primary government. This payable to the Village was caused by a cash deficit in the Library Fund.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Debt Service	\$ 1,046,550	Excess debt service funds transferred to general fund
	Nonmajor	9,000	From TIF Funds to cover cost of project paid out of the general fund
		<u>1,055,550</u>	
Debt Service	General	703,280	From general fund for debt service
	Motor Fuel Tax	277,593	
	Nonmajor	2,265,379	From Zenith Opus TIF, Senior First TIF and Lake Street Corridor TIF for debt service
		<u>3,246,252</u>	
Nonmajor	Nonmajor	5,090,841	Various transfers between contiguous TIFs
Water	General	7,112	From general fund to aid in vendor payments
Total - Fund Financial Statements		<u>9,399,755</u>	
Less Fund eliminations		<u>(9,392,643)</u>	
Total Transfers- Government-Wide Statement of Activities		<u>\$ 7,112</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 25,070,000	\$ -	\$ 3,155,000	\$ 21,915,000	\$ 3,320,000
Tax incremental financing bonds	23,892,980	426,854	3,610,000	20,709,834	3,800,000
Unamortized premium	560,129	-	126,369	433,760	-
Unamortized discount	(61,888)	-	(6,580)	(55,308)	-
Total bonds and notes payable	49,461,221	426,854	6,884,789	43,003,286	7,120,000
Other Liabilities					
Loans	6,217,156	-	411,512	5,805,644	10,000
Net pension liability - police	82,884,157	-	31,829,519	51,054,638	-
Net pension liability - fire	110,611,434	-	40,923,554	69,687,880	-
Net OPEB obligation	14,150,338	2,574,641	-	16,724,979	-
Net pension liability - IMRF	2,192,637	25,479	-	2,218,116	-
Total other liabilities	216,055,723	2,600,120	73,164,585	145,491,257	10,000
Total Governmental Activities					
Long-Term Liabilities	\$ 265,516,944	\$ 3,026,974	\$ 80,049,374	\$188,494,543	\$ 7,130,000

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Business-Type Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 6,655,000	\$ -	\$ 2,650,000	\$ 4,005,000	\$ 2,530,000
Total bonds and notes payable	6,655,000	-	2,650,000	4,005,000	2,530,000
Other Liabilities					
Net OPEB obligation	3,761,483	684,398	-	4,445,881	-
Net pension liability	1,434,662	131,634	-	1,566,296	-
Illinois EPA loans	3,090,700	-	854,833	2,235,867	877,122
Total other liabilities	8,286,845	816,032	854,833	8,248,044	877,122
Total Business-Type Activities					
Long-Term Liabilities	\$ 14,941,845	\$ 816,032	\$ 3,504,833	\$ 12,253,044	\$ 3,407,122

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental activities will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities

General Obligation Debt	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
2010B	November 2, 2010	December 15, 2018	1.60%- 4.0%	8,070,000	1,140,000
2012	April 19, 2012	December 15, 2032	4.0%- 4.5%	14,355,000	11,760,000
2015	April 14, 2015	December 15, 2023	2.0%- 4.0%	8,910,000	5,825,000
2016	September 29, 2016	December 15, 2026	2.0%- 3.2%	3,660,000	3,190,000
Total Governmental Activities- General Obligation Debt					\$ 21,915,000

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Debt service requirements to maturity are as follows:

Year	Governmental Activities General Obligation Debt	
	Principal	Interest
2018	3,320,000	775,567
2019	2,010,000	668,792
2020	2,080,000	611,517
2021	2,430,000	546,357
2022	1,865,000	460,362
2023-2027	5,495,000	1,535,308
2028-2032	4,715,000	580,800
Totals	<u>\$21,915,000</u>	<u>\$ 5,178,703</u>

Alternative Revenue Debt

Revenue Debt

The Village has pledged future water revenues, net of specified operating expenses, to repay \$53,965,616 million in revenue bonds and loans issued in 1998 and 1999. Proceeds from the bonds provided financing for the water infrastructure improvements. The bonds and loans are payable solely from water revenues and are payable through 2020. Annual principal and interest payments on the bonds and loans are expected to require \$1,003,148 to \$3,992,509 of net revenues. The total principal and interest remaining to be paid on the bonds and loans at December 31, 2017 was \$6,240,867 and \$440,438, respectively. Principal and interest paid for the current year and total customer net revenues were \$3,922,509 and \$27,271,864, respectively.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Revenue debt payable at December 31, 2017, consists of the following:

Business-Type Activities Revenue Debt

	Date of	Final	Interest	Original	Balance
Water Utility	Issuance	Maturity	Rates	Indebtedness	December 31, 2017
Illinois EPA Wastewater Treatment Loan of 1998	June 1, 1998	June 1, 2020	2.60%	\$ 8,573,768	\$ 1,380,201
Illinois EPA Wastewater Treatment Loan of 1999	June 1, 1999	June 1, 2020	2.50%	5,241,848	855,666
Revenue Bond Series of 1998A	January 1, 1998	January 1, 2020	4.00%- 5.50%	40,150,000	4,005,000
Total Business-Type Activities Revenue Debt					<u>\$ 6,240,867</u>

In prior years, the Village defeased certain Water Revenue bonds by placing the proceeds of new EPA loans in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Village's financial statements. At December 31, 2017, \$9,595,000 of bonds outstanding are considered defeased.

Debt service requirements to maturity are as follows:

Year	Business-Type Activities Revenue Debt	
	Principal	Interest
2018	3,407,122	257,588
2019	899,990	103,158
2020	1,933,755	79,692
Totals	<u>\$ 6,240,867</u>	<u>\$ 440,438</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)***General Obligation Tax Increment Financing Bonds***

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The Village has pledged future incremental tax revenues, net of specified operating expenses, to repay \$50,950,000 million in general obligation alternative revenue bonds issued in 2001 through 2011.

Tax increment Financing Bonds at December 31, 2017, consist of the following:

Governmental Activities

Tax Increment Financing Bonds	Date of Issuance	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2017
2001A	December 15, 2001	December 15, 2020	4.30%- 5.15%	\$ 2,774,103	\$ 3,420,569
2003C	June 24, 2003	December 15, 2023	4.70%- 5.40%	2,301,680	3,296,765
2004A	April 26, 2004	December 15, 2023	6.75%	4,800,000	2,405,000
2010A	November 2, 2010	December 15, 2019	2.00%- 3.125%	11,455,000	2,910,000
2011A	December 22, 2011	December 15, 2023	4.00%- 5.00%	3,710,000	3,710,000
2011B	December 22, 2011	December 15, 2020	4.50%- 5.15%	1,690,000	1,690,000
2011	May 17, 2011	May 15, 2019	4.750%	5,900,000	3,277,500
Total Governmental Activities- Tax Increment Financing Bonds					<u>\$ 20,709,834</u>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

The 2001A and 2003C series bonds are capital appreciation bonds accreting to maturity value upon final maturity. Debt service requirements below include future accretion. Total maturity value for 2001A and 2003C are \$6,875,000 and \$5,320,000, respectively. After deducting principal payments made through 2017, remaining maturity values are \$3,850,000 and \$3,990,000, respectively.

Debt service requirements to maturity are as follows:

Year	Governmental Activities Tax Increment Financing Bonds	
	Principal	Interest
2018	3,800,000	634,497
2019	7,637,500	478,127
2020	3,345,000	304,288
2021	960,000	245,100
2022	2,755,000	217,425
2023	3,335,000	102,725
Totals	<u>\$21,832,500</u>	<u>\$ 1,982,162</u>

Other Debt Information

Estimated payments of other postemployment benefits obligation and net pension liability are not included in the debt service requirement schedules. The other postemployment benefits obligation and net pension liability attributable to governmental activities will be liquidated primarily by the General Fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

Loans and Line of Credit

The Village obtained loans for general government purposes with a carrying value of \$5,618,977 as of December 31, 2017. The loans' maturity date was originally February 2012 but was extended through January 2018. The interest rate on these notes is 7.00%. Subsequent to year end, the maturity date of the loan was again extended to January 31, 2021.

In August of 2014, the Village entered into an agreement to purchase an office building for \$820,000. \$150,000 was paid at the closing and the remaining \$670,000 was financed by means of a Purchase Money Installment Term Loan Note. The note is non-interest bearing and provides for principal payments of \$160,000 per year for a three-year period. The balance related to this portion of the note

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

in the amount of \$450,000 was paid in full in fiscal year 2015. The remaining \$220,000 of principal due on the note will be paid as a monthly credit of \$833.33 offsetting rent due to the Village by the seller for the lease of office space within the building over a 264-month period. At December 31, 2017, the balance due was \$186,667.

In April 2016, the Village entered into an agreement to purchase a fire truck for \$499,972. The entire amount was financed by means of a line of credit. The interest rate on the line of credit is 2.65%. The maturity date of the line of credit is June 7, 2018. The balance of \$329,844 at the end of the prior year was paid in full at December 31, 2017.

All loans are expected to be paid from General Fund.

G. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2017, include the following:

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Nonspendable

Major Fund	
General Fund - Prepaid expense	\$ 141,876
	<hr/>
Total Nonspendable	\$ 141,876
	<hr/>

Restricted

Major Fund	
Debt Service Fund - Restricted for debt service	\$ 5,100,374
	<hr/>
	5,100,374
	<hr/>

Nonmajor Funds

Special Revenue Funds

Mid Metro TIF - Restricted for community development	1,045,577
Joyce Brothers TIF- Restricted for community development	90,518
Ruby Street TIF - Restricted for community development	1,510
Lake Street Corridor TIF - Restricted for community development	1,357,016
Chicago Avenue & Superior TIF - Restricted for community development	62,402
	<hr/>
	2,557,023
	<hr/>

Debt Service Fund

2003 MFT Bond - Restricted for debt service	2
	<hr/>

Total Restricted	\$ 7,657,399
	<hr/>

Unassigned

Major Fund	
General Fund	\$ 7,465,351
Motor Fuel Tax	(1,934,896)
	<hr/>
Total Nonmajor Fund Unassigned	5,530,455
	<hr/>

Nonmajor Funds

Special Revenue Funds

25th and North TIF	(321,518)
Zenith Opus TIF	(73,840)
Senior First TIF - Restricted for community development	(1,050,155)
E-911	(3,208,512)
	<hr/>

Total Nonmajor Fund Unassigned	(4,654,025)
	<hr/>

Total Unassigned	\$ 876,430
	<hr/>

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

H. COMPONENT UNITS

THE MELROSE PARK PUBLIC LIBRARY

This report contains the Melrose Park Public Library (library), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The library follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ (536,739)	\$ 2,793	Custodial credit
Petty cash	432	432	N/A
Total deposits and investments	<u>\$ (536,307)</u>	<u>\$ 3,225</u>	

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the library's deposits may not be returned to the library.

The library does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The library does not have any investments exposed to custodial credit risk.

See Note ID1 for further information on deposit and investment policies.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 333,332	\$ -	\$ -	\$ 333,332	
Buildings	455,504	42,975	-	498,479	50
Equipment	454,351	23,850	-	478,201	1-10
Less: Accumulated depreciation	<u>(768,953)</u>	<u>(20,215)</u>	<u>-</u>	<u>(789,168)</u>	
Totals	<u>\$ 474,234</u>	<u>\$ 46,610</u>	<u>\$ -</u>	<u>\$ 520,844</u>	

d. Interfunds

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Library	<u>\$ 233,272</u>
Total - Fund Financial Statements		<u>\$ 233,272</u>

- e. Receivables as of year-end for the library are \$918,280 for property taxes, net of \$27,747 allowance for uncollectible accounts.

NOTE 4 – OTHER INFORMATION**A. EMPLOYEES' RETIREMENT SYSTEM*****Plan Descriptions***

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 the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at Village Hall. IMRF benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements and supplementary information for

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended December 31, 2017:

Total Pension Liability	\$ 198,560,584
Plan Fiduciary Net Position	<u>74,033,654</u>
Village's net pension liability	<u><u>124,526,930</u></u>
Deferred Inflows of Resources	\$ 74,613,804
Deferred Outflows of Resources	15,008,948
Pension Expense	3,390,589

Illinois Municipal Retirement Fund (IMRF)

General Information about the Pension Plan

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2017 was 10.63% of covered payroll. The employer annual required contribution rate for calendar year 2016 was 10.75%.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries	119
Inactive, Non-retired Members	42
Active Members	<u>119</u>
Total	280

Net Pension Liability

The Village's net pension liability for the IMRF plan was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65 - 7.35%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2015	\$ 30,601,456	\$ 26,974,157	\$ 3,627,299
Changes for the year:			
Service Cost	706,700	-	706,700
Interest on the Total Pension Liability	2,264,379	-	2,264,379
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	418,345	-	418,345
Changes of Assumptions	(40,032)	-	(40,032)
Contributions - Employer	-	688,710	(688,710)
Contributions - Employees	-	292,138	(292,138)
Net Investment Income	-	1,839,872	(1,839,872)
Benefit Payments, including Refunds of Employee Contributions	(1,445,554)	(1,445,554)	-
Other (Net Transfer)	-	371,559	(371,559)
Net Changes	1,903,838	1,746,725	157,113
Balances at December 31, 2016	<u>\$ 32,505,294</u>	<u>\$ 28,720,882</u>	<u>\$ 3,784,412</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 8,109,553	\$ 3,784,412	\$ 234,959

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the Village recognized pension expense of \$984,835 related to IMRF. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 326,439	\$ 281,076
Changes of assumptions	374,347	31,237
Net difference between projected and actual earnings on pension plan investments	<u>1,429,859</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	2,130,645	312,313
Pension Contributions made subsequent to the Measurement Date	<u>647,290</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 2,777,935</u>	<u>\$ 312,313</u>

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

Year Ended December 31	
2018	\$ 1,294,713
2019	605,177
2020	483,923
2021	81,810
Thereafter	-

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Police Pension Plan

General Information about the Pension Plan

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Covered employees are required 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 plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended December 31, 2017, the Village's contribution was 39.52% of covered payroll.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

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

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	55
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	<u>79</u>
Total	<u>134</u>

Net Pension Liability

The Village's net pension liability for the Police Pension Plan was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2017 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	4.26%	4.41%
Salary Increases	4.00%-23.94%	4.00%-23.94%
Projected Increase in Payroll	4.00%	4.00%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2017 actuarial valuation are based on the assumption study prepared for Illinois Police 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. The prior valuation was based on the 2016 study prepared by Lauterbach & Amen, LLP.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Domestic Equity	58%	3.25 - 3.50%
International Equity	5%	4.00 - 5.75%
Fixed Income	33%	0.75 - 3.00%
REITs	2%	4.00%
Cash Equivalents	2%	0.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 4.26% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 3.44% and the resulting single discount rate is 7.00%.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.78% to 3.44% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was changed from 4.41% to 7.00%. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2016	\$ 104,818,403	\$ 21,934,246	\$ 82,884,157
Changes for the year:			
Service Cost	3,232,572	-	3,232,572
Interest on the Total Pension Liability	4,547,452	-	4,547,452
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	251,300	-	251,300
Changes of Assumptions	(33,930,854)	-	(33,930,854)
Contributions - Employer	-	2,683,691	(2,683,691)
Contributions - Employees	-	636,192	(636,192)
Contributions - Other	-	326,485	(326,485)
Net Investment Income	-	2,368,533	(2,368,533)
Benefit Payments, including Refunds of Employee Contributions	(3,403,209)	(3,403,209)	-
Other (Net Transfer)	-	(84,912)	84,912
Net Changes	(29,302,739)	2,526,780	(31,829,519)
Balances at December 31, 2017	<u>\$ 75,515,664</u>	<u>\$ 24,461,026</u>	<u>\$ 51,054,638</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the police pension plan of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 61,916,712	\$ 51,054,638	\$ 42,220,487

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Fund report.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the Village recognized pension expense of \$1,428,567 related to the police pension plan. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 219,287	\$ 4,961,773
Changes of assumptions	4,252,971	29,608,452
Net difference between projected and actual earnings on pension plan investments	<u>596,468</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 5,068,726</u></u>	<u><u>\$ 34,570,225</u></u>

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

<u>Year Ended December 31</u>	
2018	\$ (3,932,755)
2019	(3,932,757)
2020	(4,242,704)
2021	(4,455,584)
2022	(4,566,162)
Thereafter	(8,371,537)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Firefighters' Pension Plan

General Information about the Pension Plan

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Fund as provided for in the Illinois Compiled Statutes.

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter 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 paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2017, the contribution percentage was 9.46%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Firefighters' Pension Plan is 90% by the year 2040. For the year ended December 31, 2017, the Village's contribution was 59.69% of covered payroll.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

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

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	<u>61</u>
Total	<u>135</u>

Net Pension Liability

The Village's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2017 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	4.08%	4.11%
Salary Increases	4.00%-47.45%	4.50%-47.45%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2017 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. The prior valuation was based on the 2016 study prepared by Lauterbach & Amen, LLP.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	48.75%	3.25 - 3.50%
International Equity	9.75%	4.00 - 5.75%
Fixed Income	32%	0.75 - 3.00%
REITs	6.50%	4.00%
Cash Equivalents	3%	0.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.00% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 3.44% and the resulting single discount rate is 7.00%. The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.78% to 3.44% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was changed from 4.11% to 7.00%. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2016	\$ 129,544,773	\$ 18,933,339	\$110,611,434
Changes for the year:			
Service Cost	3,163,009	-	3,163,009
Interest on the Total Pension Liability	5,229,386	-	5,229,386
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	308,733	-	308,733
Changes of Assumptions	(43,088,053)	-	(43,088,053)
Contributions - Employer	-	3,267,702	(3,267,702)
Contributions - Employees	-	507,441	(507,441)
Net Investment Income	-	2,819,467	(2,819,467)
Benefit Payments, including Refunds of Employee Contributions	(4,618,221)	(4,618,221)	-
Other (Net Transfer)	-	(57,981)	57,981
Net Changes	(39,005,146)	1,918,408	(40,923,554)
Balances at December 31, 2017	<u>\$ 90,539,627</u>	<u>\$ 20,851,747</u>	<u>\$ 69,687,880</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the firefighters' pension plan of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 81,709,924	\$ 69,687,880	\$ 59,824,629

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Pension Fund report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the Village recognized pension expense of \$977,187 related to the firefighters' pension plan. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 259,649	\$ 2,735,063
Changes of assumptions	6,902,638	36,237,806
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>758,397</u>
Total Deferred Amounts Related to Pensions	<u>\$ 7,162,287</u>	<u>\$ 39,731,266</u>

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

<u>Year Ended December 31</u>	
2018	\$ (5,671,951)
2019	(5,671,954)
2020	(5,921,535)
2021	(6,517,293)
2022	(6,813,904)
Thereafter	(1,972,342)

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

B. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self-Insurance

For health and workers compensation claims, the uninsured risk of loss is \$100,000 per incident and 125% in the aggregate for a policy year. The Village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the Village participate in the risk management program. Costs are allocated by function of participating employees. The below liability includes \$50,159 of the component unit-library, \$181,814 of the business-type activity and \$1,339,544 of the governmental activities.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The Village does not allocate overhead costs or other non-incremental costs to the claims liability.

Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - Beginning of Year	\$ 1,408,677	\$ 1,331,525
Current year claims and changes in estimates	5,487,196	6,626,648
Claims payments	<u>(5,324,356)</u>	<u>(6,549,496)</u>
Unpaid claims - End of Year	<u>\$ 1,571,517</u>	<u>\$ 1,408,677</u>

C. COMMITMENTS AND CONTINGENCIES

From time to time, the Village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations. The Firefighters' Pension Fund is not currently involved with any lawsuits.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

The Police Pension Fund is currently involved with a disability benefits litigation. Although the outcome of these claims is presently not determinable, the Pension Fund believes that the resolution of this matter will not have an adverse effect on the financial condition of the Pension Fund.

The Village has active construction projects as of December 31, 2017. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. OTHER POSTEMPLOYMENT BENEFITS

The Village administers a single-employer defined benefit healthcare plan. The plan provides for eligible retirees and their spouses through the Village's plan which covers both active and retired members. Benefit provisions are established through personnel policy guidelines.

Summary of Significant Accounting Policies

Basis of Accounting. The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Stand-alone plan financial statements have not been issued.

Method Used to Value Investments. Investments are reported at fair value. However, since the plan is currently funded as benefits or premiums occur, there are currently no assets in the plan.

Plan Contribution Information

Member of the plan consisted of the following at, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	162
Terminated plan members entitled to but not yet receiving benefits	-
Current employees	<u>269</u>
Total	<u><u>431</u></u>
Number of participating employers	1

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The Village provides 100 percent coverage for health, vision, and dental insurance for all retirees. The monthly cost to the Village ranges from \$747 up to \$2,679 per participant up to the age of 65. After the age of 65, the Village's insurance becomes secondary to Medicare and the cost to the Village is reduced to \$440 per month.

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the Village's net OPEB obligation to the Retiree Health Plan:

Annual OPEB Cost

Annual Required Contribution (ARC)	\$ 8,145,439
Interest on net OPEB obligation	761,253
Adjustment to ARC	<u>(1,572,466)</u>
Annual OPEB Cost	7,334,225
Employer Contributions Made	<u>(4,075,187)</u>
Increase in Net OPEB Obligation	3,259,038
Net OPEB Obligation, Beginning of Year	<u>17,911,821</u>
Net OPEB Obligation, End of Year	<u>\$ 21,170,860</u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2017	\$ 7,334,225	56%	\$ 21,170,860
December 31, 2016	7,488,825	54%	17,911,820
December 31, 2015	6,738,338	44%	14,498,182

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

The funded status of the plan as of, the most recent actuarial valuation date, was as follows:

Funded Status and Funding Progress -

Actuarial Accrued Liability (AAL)	\$ 92,650,063
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 92,650,063
Funded Ratio	0%
Covered Payroll	<u>\$ 18,889,557</u>
UAAL as a Percentage of Covered Payroll	<u><u>490%</u></u>

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 the financial statements, presents multiyear 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.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is 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 benefit costs between the employer and plan members to that point. The 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.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements
December 31, 2017

NOTE 4 – OTHER INFORMATION (continued)

E. TAX INCREMENT FINANCING DISTRICT

The Village of Melrose Park has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

NOTE 5 – TAX REBATES

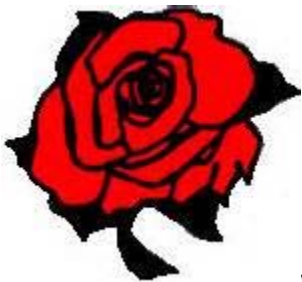
The Village has entered into sales tax rebate agreements in order to attract new retailers and restaurants. The agreements are pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) and have been approved by the Village Board.

To be eligible for the rebate, the businesses must open locations within the Village's boundaries and submit sales tax information to the Village. The specific terms of the agreements vary, however, in general, they provide for the Village to rebate 0.5-60% of the sales tax generated by the locations within Melrose Park back to the businesses typically on a quarterly basis. Some of the agreements are subject to conditions such as the rebate not being measured until a certain threshold of sales is met. Total tax abatements were \$2,404,598.

The two largest abatements provide for annual abatements in excess of \$500,000 each. One of these agreements calls for a rebate of 50% of all Municipal Sales Taxes that the Village receives from the location in each calendar year during the repayment period (20 years commencing thirty days after the first certificate of occupancy is issued by the Village). Sales tax rebates under this agreement totaled \$1,239,361.

The other agreement calls for the Village to pay a sales tax rebate to the developer equal to one-half of one percent (0.5%) of all municipal sales taxes, provided that such rebates are paid only after the Developer makes the required investment (\$200,000 beyond the purchase price of the property to improve and enhance the property as a first quality commercial retail and service center establishment) to improve the property and if and to the extent that municipal sales taxes exceed the trigger amount (the first \$575,000 of municipal sales taxes generated) for the calendar year in question. Sales tax rebates under this agreement totaled \$500,196.

REQUIRED SUPPLEMENTARY INFORMATION



VILLAGE OF MELROSE PARK, ILLINOIS

VILLAGE OF MELROSE PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Property	\$ 8,495,000	\$ 11,988,950	\$ 3,493,950
Sales	13,877,667	15,243,155	1,365,488
Utility	2,200,000	2,216,126	16,126
Telecommunication	700,000	589,780	(110,220)
Amusement	325,700	429,402	103,702
Intergovernmental	3,578,000	4,141,126	563,126
Licenses, permits and fees	986,920	1,987,892	1,000,972
Charges for services	387,200	1,200,370	813,170
Fines and forfeitures	1,986,000	2,314,144	328,144
Investment earnings	25,000	45,419	20,419
Miscellaneous	2,556,000	1,299,192	(1,256,808)
Total revenues	<u>35,117,487</u>	<u>41,455,556</u>	<u>6,338,069</u>
Expenditures			
Current			
General government	9,748,670	5,872,762	3,875,908
Refuse	1,950,000	1,888,952	61,048
Public safety	24,794,668	25,837,101	(1,042,433)
Highway and streets	3,560,835	2,043,339	1,517,496
Culture and recreation	1,330,188	1,778,150	(447,962)
Hispanic Liaison Center	274,209	225,017	49,192
Community development	266,720	3,162,570	(2,895,850)
Debt service- principal	215,000	411,512	(196,512)
Debt service- interest and fees	450,000	416,224	33,776
Total expenditures	<u>42,590,290</u>	<u>41,635,627</u>	<u>954,663</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,472,803)</u>	<u>(180,071)</u>	<u>(7,292,732)</u>
Other Financing Sources (Uses)			
Transfers in	-	1,055,550	1,055,550
Transfers (out)	-	(1,756,942)	(1,756,942)
Total other financing sources (uses)	<u>-</u>	<u>(701,392)</u>	<u>(701,392)</u>
Net Change in Fund Balance	<u>\$ (7,472,803)</u>	<u>(881,463)</u>	<u>\$ (7,994,124)</u>
Fund Balance - Beginning of Year		<u>8,488,690</u>	
Fund Balance - End of Year		<u>\$ 7,607,227</u>	

**VILLAGE OF MELROSE PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017		2016
	Final Budget	Actual	Actual
Revenues			
Motor fuel tax	\$ 750,000	\$ 658,862	\$ 668,700
Grants	-	363,059	108,137
Interest	500	1,695	1,073
Miscellaneous	-	3,904,743	-
Total revenues	<u>750,500</u>	<u>4,928,359</u>	<u>777,910</u>
Expenditures			
Highway and streets			
Professional services	525,000	5,898,249	606,947
Debt service	216,000	-	-
Total expenditures	<u>741,000</u>	<u>5,898,249</u>	<u>606,947</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,500</u>	<u>(969,890)</u>	<u>170,963</u>
Other Financing Sources (Uses)			
Transfers (out)	<u>(120,000)</u>	<u>(277,593)</u>	<u>(212,758)</u>
Total other financing sources (uses)	<u>(120,000)</u>	<u>(277,593)</u>	<u>(212,758)</u>
Change in Fund Balance	<u>\$ (110,500)</u>	<u>(1,247,483)</u>	<u>(41,795)</u>
Fund Balance			
Beginning of Year		<u>(687,413)</u>	<u>(645,618)</u>
End of Year		<u>\$ (1,934,896)</u>	<u>\$ (687,413)</u>

VILLAGE OF MELROSE PARK, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2017

Last 10 Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability										
Service cost	\$ 706,700	\$ 720,114	\$ 743,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,264,379	2,159,282	2,007,132	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	418,345	(161,828)	(549,303)	-	-	-	-	-	-	-
Changes of Assumptions	(40,032)	38,627	1,019,046	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	1,903,838	1,585,976	2,030,562	-	-	-	-	-	-	-
Total Pension Liability - Beginning	30,601,456	29,015,480	26,984,918	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 32,505,294	\$ 30,601,456	\$ 29,015,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 688,710	\$ 732,788	\$ 733,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	292,138	310,481	286,680	-	-	-	-	-	-	-
Net Investment Income	1,839,872	137,287	1,588,784	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	371,559	(557,001)	(28,739)	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 1,746,725	\$ (546,664)	\$ 1,390,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	26,974,157	27,520,821	26,130,507	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 28,720,882	\$ 26,974,157	\$ 27,520,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 3,784,412	\$ 3,627,299	\$ 1,494,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.36%	88.15%	94.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 6,268,308	\$ 6,444,927	\$ 6,367,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	60.37%	56.28%	23.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF MELROSE PARK, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2017

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	\$ 646,585	\$ 673,843	\$ 732,788	\$ 739,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	646,585	688,710	732,788	733,892	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ (14,867)	\$ -	\$ 6,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 6,082,643	\$ 6,268,308	\$ 6,444,927	\$ 6,367,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	10.63%	10.99%	11.37%	11.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.50%
Salary Increases	3.75% - 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment 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 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF MELROSE PARK, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2017

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total pension liability										
Service cost	\$ 3,232,572	\$ 3,096,037	\$ 2,914,663	\$ 3,055,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,547,452	4,533,832	3,937,589	3,729,059	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	251,300	(6,471,840)	(232,186)	-	-	-	-	-	-	-
Changes of Assumptions	(33,930,854)	2,460,747	4,046,411	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-	-	-	-
Net Change in Total Pension Liability	(29,302,739)	402,063	7,483,952	3,834,387	-	-	-	-	-	-
Total Pension Liability - Beginning	104,818,403	104,416,340	96,932,389	93,098,002	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 75,515,664	\$ 104,818,403	\$ 104,416,341	\$ 96,932,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,683,691	\$ 2,544,568	\$ 2,344,781	\$ 1,931,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	636,192	616,461	606,618	756,019	-	-	-	-	-	-
Contributions - other	326,485	-	-	-	-	-	-	-	-	-
Net Investment Income	2,368,533	443,851	(52,183)	1,223,223	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-	-	-	-
Administrative Expense	(84,912)	(57,193)	(54,130)	(58,112)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 2,526,780	\$ 330,974	\$ (337,439)	\$ 902,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	21,934,246	21,603,272	21,940,711	21,037,921	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 24,461,026	\$ 21,934,246	\$ 21,603,272	\$ 21,940,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 51,054,638	\$ 82,884,157	\$ 82,813,069	\$ 74,991,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.39%	20.93%	20.69%	22.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 6,791,262	\$ 6,530,060	\$ 6,145,012	\$ 6,101,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	751.77%	1269.27%	1347.65%	1228.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF MELROSE PARK, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2017

Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution	\$ 4,205,294	\$ 3,907,689	\$ 3,626,693	\$ 3,370,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>2,683,691</u>	<u>2,544,568</u>	<u>2,344,781</u>	<u>1,931,506</u>	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 1,521,603	\$ 1,363,121	\$ 1,281,912	\$ 1,438,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 6,791,262	\$ 6,530,060	\$ 6,145,012	\$ 6,101,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	39.52%	38.97%	38.16%	31.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded by 2033
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	4.00% - 23.94%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Lauterbach & Amen, LLP Assumption Study for Police 2016

VILLAGE OF MELROSE PARK, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2017

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total pension liability										
Service cost	\$ 3,163,009	\$ 3,038,141	\$ 3,214,142	\$ 3,202,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	5,229,386	5,090,989	4,264,327	4,136,830	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	308,733	(3,356,003)	(827,482)	-	-	-	-	-	-	-
Changes of Assumptions	(43,088,053)	3,079,730	8,906,564	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,618,221)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-	-	-	-
Net Change in Total Pension Liability	(39,005,146)	3,499,979	11,501,576	3,444,413	-	-	-	-	-	-
Total Pension Liability - Beginning	129,544,773	126,044,794	114,543,218	111,098,805	-	-	-	-	-	-
Total Pension Liability - Ending (a)	\$ 90,539,627	\$ 129,544,773	\$ 126,044,794	\$ 114,543,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,267,702	\$ 3,081,599	\$ 2,828,716	\$ 2,310,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	507,441	501,401	496,897	477,120	-	-	-	-	-	-
Net Investment Income	2,819,467	1,322,812	30,595	1,392,764	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,618,220)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-	-	-	-
Administrative Expense	(57,981)	(40,577)	(42,370)	(50,625)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 1,918,409	\$ 512,357	\$ (742,137)	\$ 234,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	18,933,338	18,420,981	19,163,118	18,928,296	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 20,851,747	\$ 18,933,338	\$ 18,420,981	\$ 19,163,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 69,687,880	\$ 110,611,435	\$ 107,623,813	\$ 95,380,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.03%	14.62%	14.61%	16.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 5,474,530	\$ 5,289,401	\$ 5,304,117	\$ 5,176,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	1272.95%	2091.19%	2029.06%	1842.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE CONTRIBUTIONS
DECEMBER 31, 2017**

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	\$ 3,953,554	\$ 4,195,708	\$ 3,862,790	\$ 3,605,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	3,267,702	3,081,599	2,828,716	2,310,781	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 685,852	\$ 1,114,109	\$ 1,034,074	\$ 1,294,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 5,474,530	\$ 5,289,401	\$ 5,304,117	\$ 5,176,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered- Employee Payroll	59.69%	58.26%	53.33%	44.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded by 2040
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	4.00% - 47.45%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	Lauterbach & Amen, LLP Assumption Study for Firefighters 2016

**VILLAGE OF MELROSE PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
OTHER POST EMPLOYMENT BENEFITS PLAN
AS OF DECEMBER 31, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2017	\$ -	\$ 92,650,063	92,650,063	0.00%	\$ 18,889,557	490.48%
12/31/2016	-	92,650,063	92,650,063	0.00%	21,115,000	438.79%
12/31/2015	-	91,745,454	91,745,454	0.00%	20,500,000	447.54%
12/31/2014	-	76,302,738	76,302,738	0.00%	19,903,000	383.37%
12/31/2013	-	74,161,601	74,161,587	0.00%	18,955,000	391.25%

Valuations must be performed every two years for OPEB plans with more than 200 members and at least every three years for plans with fewer than 200 members.

VILLAGE OF MELROSE PARK, ILLINOIS

Notes to required supplementary information
December 31, 2017

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse as fiscal year end.

Prior to December 31, the Village Comptroller submits to the Village Board a proposed budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the General Fund and Special Revenue Funds.

The Village is authorized to change budgeted amounts within any fund; however, revision increasing total fund expenditures must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available to the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village Comptroller is authorized to transfer budget amount between departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the Fiscal Year ended December 31, 2017, expenditures exceeded appropriations in the following fund:

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures over Budget
Water & Sewer	14,103,861	20,534,247	6,430,386
Motor Fuel Tax	741,000	5,898,249	5,157,249
Debt Service	1,709,453	4,023,653	2,314,200
E-911	702,000	762,355	60,355

These over expenditures will be funded by future general tax revenues except for the Water & Sewer fund for which operating revenues were sufficient to cover excess expenses.

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



VILLAGE OF MELROSE PARK, ILLINOIS

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Revenues			
Taxes			
Property	\$ 8,495,000	\$ 11,988,950	\$ 11,536,010
Sales	13,877,667	15,243,155	14,705,113
Utility	2,200,000	2,216,126	2,222,110
Telecommunication	700,000	589,780	669,375
Amusement	325,700	429,402	506,612
Total taxes	25,598,367	30,467,413	29,639,220
Intergovernmental			
State income tax	2,500,000	2,333,979	2,473,609
Personal property replacement tax	878,000	1,392,299	1,255,865
Gaming revenue	175,000	303,027	271,805
Miscellaneous grant revenue	25,000	111,821	164,641
Total intergovernmental	3,578,000	4,141,126	4,165,920
Licenses, Permits, and Fees			
Business licenses	208,220	521,116	550,426
Liquor licenses	30,000	231,198	213,400
Animal licenses	200	240	301
Contractor licenses	50,000	71,085	72,250
Building permit fees	420,000	705,816	440,381
Electrical permit fees	20,000	21,482	15,554
Permit fees	5,000	6,620	25,040
Inspection fees	25,000	29,935	27,467
Enforcement fees	100,000	110,691	119,125
Miscellaneous fees	33,500	30,242	34,659
Elevator inspection fees	15,000	13,730	10,200
Vehicle license fees	55,000	206,450	264,855
Sidewalk repair fees	25,000	39,287	37,499
Total licenses, permits and fees	986,920	1,987,892	1,811,157
Charges for Services			
Copy fees	33,000	25,209	28,028
Ambulance services	-	482,767	398,989
Senior fees	60,000	54,830	62,845
Franchise fees	150,000	171,075	177,308
Miscellaneous charges for services	9,200	14,780	15,918
Tower rental fees	60,000	66,774	64,636
Taste of Melrose Park	-	307,827	276,404
Civic center fees	75,000	77,108	96,561
Total charges for services	387,200	1,200,370	1,120,689

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Fines and Forfeitures			
Court fines	\$ 26,000	\$ 19,205	\$ 22,707
Violation fines	1,960,000	2,294,939	2,438,388
Total fines and forfeitures	1,986,000	2,314,144	2,461,095
Investment Income			
Interest	25,000	45,419	33,908
Total investment income	25,000	45,419	33,908
Miscellaneous			
Sale of capital assets	-	182,072	-
Miscellaneous	2,556,000	1,117,120	995,882
Total miscellaneous	2,556,000	1,299,192	995,882
Total revenues	\$ 35,117,487	\$ 41,455,556	\$ 40,227,871

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Expenditures			
General Government			
Mayor			
Regular wages	\$ 45,332	\$ 45,333	\$ 56,000
Miscellaneous	600	-	-
Total mayor	<u>45,932</u>	<u>45,333</u>	<u>56,000</u>
Trustees			
Regular wages	127,100	127,100	116,401
Risk management	2,500	-	-
Total trustees	<u>129,600</u>	<u>127,100</u>	<u>116,401</u>
Village Clerk's Office			
Regular wages	38,832	38,833	35,500
Professional services	675	4,458	260
Commodities	760	-	-
Miscellaneous	2,820	335	166
Total village clerk's office	<u>43,087</u>	<u>43,626</u>	<u>35,926</u>
Liquor Commission			
Regular wages	28,004	28,000	44,000
Total liquor commission	<u>28,004</u>	<u>28,000</u>	<u>44,000</u>
Village Attorney			
Professional services	179,000	93,138	80,738
Miscellaneous	15,500	617	-
Total village attorney	<u>194,500</u>	<u>93,755</u>	<u>80,738</u>
Village Prosecutor			
Regular wages	109,600	109,600	103,600
Total village prosecutor	<u>109,600</u>	<u>109,600</u>	<u>103,600</u>
Village Treasurer			
Regular wages	4,500	4,500	4,500
Total village treasurer	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
General Government (cont.)			
Finance and Administration			
Regular wages	\$ 762,684	\$ 822,089	\$ 764,620
Benefits	525,000	435,840	462,958
Contractual services	110,000	130,989	197,232
Professional services	590,000	305,022	489,613
Repairs and maintenance	130,250	27,710	51,356
Commodities	257,000	315,202	334,749
Utilities	450,600	621,182	566,663
Risk management	2,532,361	613,470	675,292
Miscellaneous	777,233	849,351	25,080
Capital outlay	22,500	15,759	16,324
Interdepartmental charge	-	(878,042)	(863,612)
Total finance and administration	<u>6,157,628</u>	<u>3,258,572</u>	<u>2,720,275</u>
Village Hall			
Miscellaneous	<u>15,000</u>	<u>48,829</u>	<u>4,724</u>
Total village hall	<u>15,000</u>	<u>48,829</u>	<u>4,724</u>
IMRF/Social Security			
Benefits	1,470,500	1,375,000	1,424,078
Interdepartmental charge	<u>-</u>	<u>(407,078)</u>	<u>(426,914)</u>
Total IMRF/social security	<u>1,470,500</u>	<u>967,922</u>	<u>997,164</u>
Public Relations			
Contractual services	10,000	-	-
Professional services	10,000	-	-
Commodities	<u>70,000</u>	<u>79,635</u>	<u>69,977</u>
Total public relations	<u>90,000</u>	<u>79,635</u>	<u>69,977</u>
Building Department			
Regular wages	700,819	662,791	654,725
Benefits	503,000	371,955	384,596
Contractual services	3,000	-	-
Professional services	151,500	49,500	27,661
Repairs and maintenance	65,000	25,497	38,798
Commodities	7,500	4,468	6,682
Utilities	15,000	13,257	11,973
Program costs	500	-	-
Miscellaneous	10,000	6,979	20,041
Capital outlay	4,000	578	338
Interdepartmental Charge	<u>-</u>	<u>(69,135)</u>	<u>(66,166)</u>
Total building department	<u>1,460,319</u>	<u>1,065,890</u>	<u>1,078,648</u>
Total general government	<u>9,748,670</u>	<u>5,872,762</u>	<u>5,311,953</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Public Safety			
Police department			
Regular wages	\$ 7,174,386	\$ 7,242,198	\$ 7,039,879
Overtime wages	150,500	222,992	203,990
Benefits	3,121,000	2,616,439	2,991,412
Retirement contributions	2,089,450	2,683,692	2,584,560
Contractual services	95,000	96,968	107,337
Professional services	36,500	216,348	89,171
Repairs and maintenance	146,000	256,440	140,029
Commodities	231,600	143,695	145,035
Utilities	216,000	366,732	235,325
Animal control	2,000	3,419	2,399
Miscellaneous	20,750	44,808	28,890
Risk management	100,000	17,766	-
Program costs	-	6,284	44,529
Capital outlay	61,000	238,294	88,770
Interdepartmental charge	-	(6,005)	(5,949)
Total police department	<u>13,444,186</u>	<u>14,150,070</u>	<u>13,695,377</u>
Fire department			
Regular wages	5,405,075	5,453,620	5,386,527
Overtime wages	55,000	54,528	73,555
Benefits	1,960,000	1,779,566	1,831,682
Retirement contributions	2,551,684	3,267,702	3,121,599
Professional services	952,450	997,476	962,934
Repairs and maintenance	106,000	260,034	273,999
Commodities	6,000	25,372	9,603
Utilities	41,000	30,886	27,849
EMS services	10,000	17,003	17,857
Training and education	10,000	12,047	12,217
Miscellaneous	3,000	1,387	13,455
Annual physicals	15,000	-	-
Capital outlay	15,250	12,399	515,302
Interdepartmental charge	-	(404,736)	(395,232)
Total fire department	<u>11,130,459</u>	<u>11,507,284</u>	<u>11,851,347</u>
Safety and prevention			
Professional services	600	445	445
Repairs and maintenance	3,000	227	1,261
Commodities	500	1,545	97
Training and education	1,000	1,664	108
Total safety and prevention	<u>5,100</u>	<u>3,881</u>	<u>1,911</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Public Safety (cont.)			
Civil defense			
Regular wages	\$ 12,400	\$ 12,400	\$ 12,399
Benefits	4,000	4,024	3,388
Professional services	2,000	428	211
Repairs and maintenance	35,700	25,085	30,989
Commodities	10,500	6,436	6,619
Utilities	18,000	11,371	12,219
Miscellaneous	1,000	2,371	496
Capital outlay	4,000	686	2,123
Total civil defense	<u>87,600</u>	<u>62,801</u>	<u>68,444</u>
Youth commission			
Regular wages	58,523	40,426	59,945
Board compensation	10,600	10,880	10,760
Professional services	1,200	900	1,148
Commodities	3,200	4,413	4,326
Utilities	2,000	1,501	1,995
Miscellaneous	4,000	4,845	7,890
Total youth commission	<u>79,523</u>	<u>62,965</u>	<u>86,064</u>
Fire and police commission			
Board compensation	23,200	23,542	23,200
Professional services	10,000	11,558	10,375
Total fire and police commission	<u>33,200</u>	<u>35,100</u>	<u>33,575</u>
Planning commission			
Board compensation	13,400	13,900	13,275
Total planning commission	<u>13,400</u>	<u>13,900</u>	<u>13,275</u>
Senior commission			
Board compensation	1,200	1,100	1,200
Total senior commission	<u>1,200</u>	<u>1,100</u>	<u>1,200</u>
Total public safety	<u>24,794,668</u>	<u>25,837,101</u>	<u>25,751,193</u>
Culture and Recreation			
Horticulture			
Professional services	3,000	29,145	7,177
Repairs and maintenance	10,000	4,163	6,052
Commodities	33,000	48,853	62,944
Capital outlay	4,000	1,239	523
Total horticulture	<u>50,000</u>	<u>83,400</u>	<u>76,696</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Culture and Recreation (cont.)			
Environmental control			
Professional services	\$ 7,200	\$ 6,397	\$ 8,003
Total environmental control	<u>7,200</u>	<u>6,397</u>	<u>8,003</u>
Health department			
Regular wages	<u>43,687</u>	<u>43,686</u>	<u>43,686</u>
Total health department	<u>43,687</u>	<u>43,686</u>	<u>43,686</u>
Taste of Melrose			
Contractual services	-	12,511	100
Professional services	-	185,847	160,448
Repairs and maintenance	-	60,976	79,105
Commodities	-	27,976	58,439
Donations	-	57,875	59,297
Miscellaneous	<u>50,000</u>	<u>14,398</u>	<u>(38,737)</u>
Total Taste of Melrose	<u>50,000</u>	<u>359,583</u>	<u>318,652</u>
Senior Building			
Professional services	16,750	25,960	27,140
Repairs and maintenance	72,250	61,700	84,563
Commodities	<u>8,100</u>	<u>2,048</u>	<u>5,872</u>
Total senior building	<u>97,100</u>	<u>89,708</u>	<u>117,575</u>
Civic Center			
Regular wages	482,201	480,082	509,423
Overtime wages	4,000	24,658	8,715
Benefits	275,000	311,603	322,684
Contractual services	52,500	47,272	48,662
Professional services	148,500	203,652	197,476
Repairs and maintenance	50,000	49,791	81,114
Commodities	1,500	935	3,229
Utilities	60,000	58,129	46,266
Miscellaneous	<u>8,500</u>	<u>19,254</u>	<u>14,913</u>
Total civic center	<u>1,082,201</u>	<u>1,195,376</u>	<u>1,232,482</u>
Total culture and recreation	<u>1,330,188</u>	<u>1,778,150</u>	<u>1,797,094</u>
Highways and Streets			
Ornamental and street lighting			
Regular wages	343,837	292,683	299,799
Overtime wages	3,000	1,351	2,815
Benefits	160,300	141,681	147,183
Repairs and maintenance	<u>68,100</u>	<u>25,925</u>	<u>47,697</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Highways and Streets (cont.)			
Ornamental and street lighting (cont.)			
Commodities	\$ 22,500	\$ 10,369	\$ 18,278
Utilities	352,500	248,433	296,377
Capital outlay	15,000	13,090	12,007
Total ornamental and street lighting	<u>965,237</u>	<u>733,532</u>	<u>824,156</u>
Mini-Bus Administrative			
Regular wages	102,898	102,898	101,272
Benefits	30,000	27,995	29,022
Total mini-bus administrative	<u>132,898</u>	<u>130,893</u>	<u>130,294</u>
Street and Bridge			
Regular wages	939,250	1,146,687	1,047,144
Overtime wages	20,000	17,719	39,272
Benefits	352,600	571,918	588,843
Travel and education	100	-	-
Professional services	699,000	749,406	1,992,050
Repairs and maintenance	176,250	176,322	282,096
Commodities	187,000	171,813	283,658
Utilities	3,500	4,282	4,641
Equipment rental	50,000	41,129	129,405
Risk management	10,000	19,425	18,190
Miscellaneous	10,000	44,726	4,592
Capital outlay	15,000	41,475	62,110
Interdepartmental charge	-	(1,805,988)	(1,751,382)
Total street and bridge	<u>2,462,700</u>	<u>1,178,914</u>	<u>2,700,619</u>
Total highways and street	<u>3,560,835</u>	<u>2,043,339</u>	<u>3,655,069</u>
Refuse			
Professional services	<u>1,950,000</u>	<u>1,888,952</u>	<u>1,841,154</u>
Total refuse	<u>1,950,000</u>	<u>1,888,952</u>	<u>1,841,154</u>
Hispanic Liaison Center			
Regular wages	208,009	145,877	166,772
Professional services	45,000	65,606	52,549
Commodities	11,200	7,324	28,449
Repairs and maintenance	10,000	6,210	7,504
Total Hispanic Liaison Center	<u>274,209</u>	<u>225,017</u>	<u>255,274</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Community Development			
Economic incentive	\$ 266,720	\$ 3,162,570	\$ 2,956,202
Total community development	<u>266,720</u>	<u>3,162,570</u>	<u>2,956,202</u>
Debt Service			
Principal	215,000	411,512	251,378
Interest and fees	<u>450,000</u>	<u>416,224</u>	<u>409,277</u>
Total debt service	<u>665,000</u>	<u>827,736</u>	<u>660,655</u>
 Total expenditures	 <u>\$ 42,590,290</u>	 <u>\$ 41,635,627</u>	 <u>\$ 42,228,594</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	E-911	Joyce Brothers TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District	Mid Metro TIF District
Assets						
Cash and investments	\$ 1,376,820	\$ 43,267	\$ 235,552	\$ 608,605	\$ 759,930	\$ 3,133,456
Prepaid items	64,843	-	-	-	-	-
Receivables (net)						
Intergovernmental	-	-	-	-	-	-
Due from other funds	-	47,251	1,121,464	-	321,540	-
Total assets	<u>\$ 1,441,663</u>	<u>\$ 90,518</u>	<u>\$ 1,357,016</u>	<u>\$ 608,605</u>	<u>\$ 1,081,470</u>	<u>\$ 3,133,456</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-	74,636
Due to other funds	4,650,175	-	-	682,445	2,131,625	2,013,243
Total liabilities	<u>4,650,175</u>	<u>-</u>	<u>-</u>	<u>682,445</u>	<u>2,131,625</u>	<u>2,087,879</u>
Deferred Inflows of Resources						
Deferred inflows related to grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	-	90,518	1,357,016	-	-	1,045,577
Unassigned	(3,208,512)	-	-	(73,840)	(1,050,155)	-
Total fund balances	<u>(3,208,512)</u>	<u>90,518</u>	<u>1,357,016</u>	<u>(73,840)</u>	<u>(1,050,155)</u>	<u>1,045,577</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,441,663</u>	<u>\$ 90,518</u>	<u>\$ 1,357,016</u>	<u>\$ 608,605</u>	<u>\$ 1,081,470</u>	<u>\$ 3,133,456</u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	25TH & North Avenue TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
Assets					
Cash and investments	\$ -	\$ 5,164	\$ 1,510	\$ 2	\$ 6,164,306
Prepaid items	-	-	-	-	64,843
Receivables (net)			-		
Intergovernmental	-	-	-	-	-
Due from other funds	22	57,238	-	-	1,547,515
Total assets	<u>\$ 22</u>	<u>\$ 62,402</u>	<u>\$ 1,510</u>	<u>\$ 2</u>	<u>\$ 7,776,664</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	74,636
Due to other funds	321,540	-	-	-	9,799,028
Total liabilities	<u>321,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,873,664</u>
Deferred Inflows of Resources					
Deferred inflows related to grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	62,402	1,510	2	2,557,025
Unassigned	(321,518)	-	-	-	(4,654,025)
Total fund balances	<u>(321,518)</u>	<u>62,402</u>	<u>1,510</u>	<u>2</u>	<u>(2,097,000)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22</u>	<u>\$ 62,402</u>	<u>\$ 1,510</u>	<u>\$ 2</u>	<u>\$ 7,776,664</u>

VILLAGE OF MELROSE PARK, ILLINIOS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	E-911	Joyce Brothers TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District	Mid Metro TIF District
Revenues						
Property taxes - general	\$ -	\$ 46,227	\$ 200,646	\$ 587,534	\$ 1,220,882	\$ 1,465,365
Charges for services	393,319	-	-	-	-	685,184
Investment income	-	37	639	4,532	6,893	17,339
Other revenues	-	-	-	200,344	-	-
Grants	-	-	-	-	-	-
Motor fuel tax	-	-	-	-	-	-
Total revenues	<u>393,319</u>	<u>46,264</u>	<u>201,285</u>	<u>792,410</u>	<u>1,227,775</u>	<u>2,167,888</u>
Expenditures						
Current						
Public safety	762,355	-	-	-	-	-
Highway and streets	-	-	-	-	-	-
Community development	-	-	-	120,195	147,292	376,540
Debt service						
Principal	-	-	-	550,000	315,000	672,620
Interest and fees	-	-	-	-	255,830	59,657
Total expenditures	<u>762,355</u>	<u>-</u>	<u>-</u>	<u>670,195</u>	<u>718,122</u>	<u>1,108,817</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(369,036)</u>	<u>46,264</u>	<u>201,285</u>	<u>122,215</u>	<u>509,653</u>	<u>1,059,071</u>
Other Financing Sources (Uses)						
Transfers in	-	-	976,936	50,000	3,926	1,593,441
Transfers out	-	(3,000)	(1,173,915)	(203,486)	(823,044)	(2,470,464)
Total other financing sources (uses)	<u>-</u>	<u>(3,000)</u>	<u>(196,979)</u>	<u>(153,486)</u>	<u>(819,118)</u>	<u>(877,023)</u>
Net Change in Fund Balances	<u>(369,036)</u>	<u>43,264</u>	<u>4,306</u>	<u>(31,271)</u>	<u>(309,465)</u>	<u>182,048</u>
Fund Balances - Beginning of Year	<u>(2,839,476)</u>	<u>47,254</u>	<u>1,352,710</u>	<u>(42,569)</u>	<u>(740,690)</u>	<u>863,529</u>
Fund Balances - End of Year	<u>\$ (3,208,512)</u>	<u>\$ 90,518</u>	<u>\$ 1,357,016</u>	<u>\$ (73,840)</u>	<u>\$ (1,050,155)</u>	<u>\$ 1,045,577</u>

VILLAGE OF MELROSE PARK, ILLINIOS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	25TH & North Avenue TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
Revenues					
Property taxes - general	\$ 667,848	\$ 716,196	\$ 249,663	\$ -	\$ 5,154,361
Charges for services	-	-	-	-	1,078,503
Investment income	-	2,030	207	-	31,677
Other revenues	-	-	-	-	200,344
Grants	-	-	-	-	-
Motor fuel tax	-	-	-	-	-
Total revenues	<u>667,848</u>	<u>718,226</u>	<u>249,870</u>	<u>-</u>	<u>6,464,885</u>
Expenditures					
Current					
Public safety	-	-	-	-	762,355
Highway and streets	-	-	-	-	-
Community development	-	1,284,943	-	-	1,928,970
Debt service					
Principal	2,072,380	-	-	-	3,610,000
Interest and fees	394,158	-	-	-	709,645
Total expenditures	<u>2,466,538</u>	<u>1,284,943</u>	<u>-</u>	<u>-</u>	<u>7,010,970</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,798,690)</u>	<u>(566,717)</u>	<u>249,870</u>	<u>-</u>	<u>(546,085)</u>
Other Financing Sources (Uses)					
Transfers in	2,466,538	-	-	-	5,090,841
Transfers out	<u>(667,826)</u>	<u>(724,288)</u>	<u>(252,647)</u>	<u>-</u>	<u>(6,318,670)</u>
Total other financing sources (uses)	<u>1,798,712</u>	<u>(724,288)</u>	<u>(252,647)</u>	<u>-</u>	<u>(1,227,829)</u>
Net Change in Fund Balances	<u>22</u>	<u>(1,291,005)</u>	<u>(2,777)</u>	<u>-</u>	<u>(1,773,914)</u>
Fund Balances - Beginning of Year	<u>(321,540)</u>	<u>1,353,407</u>	<u>4,287</u>	<u>2</u>	<u>(323,086)</u>
Fund Balances - End of Year	<u>\$ (321,518)</u>	<u>\$ 62,402</u>	<u>\$ 1,510</u>	<u>\$ 2</u>	<u>\$ (2,097,000)</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E-911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Revenues			
E-911 revenue	\$ 180,000	\$ 393,319	\$ 175,229
Total revenues	<u>180,000</u>	<u>393,319</u>	<u>175,229</u>
Expenditures			
Public safety			
E-911			
Professional services	702,000	762,355	746,827
Total expenditures	<u>702,000</u>	<u>762,355</u>	<u>746,827</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(522,000)</u>	<u>(369,036)</u>	<u>(571,598)</u>
Change in Fund Balance	<u>\$ (522,000)</u>	<u>(369,036)</u>	<u>(571,598)</u>
Fund Balance			
Beginning of Year		<u>(2,839,476)</u>	<u>(2,267,878)</u>
End of Year		<u>\$ (3,208,512)</u>	<u>\$ (2,839,476)</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Revenues			
Property taxes - general	\$ 2,015,000	\$ 1,692,407	\$ 1,783,707
Interest	-	15,577	190
Total revenues	<u>2,015,000</u>	<u>1,707,984</u>	<u>1,783,897</u>
Expenditures			
Debt service - principal	1,045,549	3,155,000	3,015,000
Debt service - interest and fees	<u>663,904</u>	<u>868,653</u>	<u>1,236,902</u>
Total expenditures	<u>1,709,453</u>	<u>4,023,653</u>	<u>4,251,902</u>
Excess (Deficiency) of Revenues over Expenditures	<u>305,547</u>	<u>(2,315,669)</u>	<u>(2,468,005)</u>
Other Financing Sources (Uses)			
Bond proceeds	-	-	3,660,000
Bond premium	-	-	7,670
Payment to Refunded Debt Escrow Agent	-	-	(3,455,000)
Transfers in	-	3,246,252	4,379,718
Transfers out	-	(1,046,550)	(1,050,850)
Total other financing sources (uses)	<u>-</u>	<u>2,199,702</u>	<u>3,541,538</u>
Change in Fund Balance	<u>\$ 305,547</u>	<u>(115,967)</u>	<u>1,073,533</u>
Fund Balance			
Beginning of Year		<u>5,216,341</u>	<u>4,142,808</u>
End of Year		<u>\$ 5,100,374</u>	<u>\$ 5,216,341</u>

VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016
	Final Budget	Actual	Actual
Operating Revenues			
Water and sewer sales	\$ 22,980,473	\$ 27,155,260	\$ 25,731,524
Meter sales	75,000	116,604	101,006
Total operating revenues	23,055,473	27,271,864	25,832,530
Operating Expenses			
Cost of sales and services - water			
Regular wages	834,389	815,943	800,108
Overtime wages	30,000	22,651	48,489
Insurance - employee fringe	333,000	411,125	430,310
Professional services	55,000	56,559	53,393
Repairs and maintenance	265,500	257,201	247,889
Purchased water	10,090,503	11,092,821	11,069,644
Utilities	375,000	340,857	301,486
Operating supplies	10,000	9,832	13,036
Mains and hydrants	170,000	111,679	88,438
Miscellaneous	200,750	445	216
Machinery and equipment - other	2,500	-	-
Total cost of sales and services - water	12,366,642	13,119,113	13,053,009
Cost of sales and services - sewer			
Regular wages	372,723	312,051	316,942
Overtime wages	10,000	5,883	7,948
Benefits	210,000	205,146	214,521
Professional services	46,000	66,018	51,814
Repairs and maintenance	223,000	80,345	134,333
Commodities	20,500	22,482	12,179
Miscellaneous	750	141,548	405,107
Non depreciable capital expenditures	1,000	-	-
Total cost of sales and services - sewer	883,973	833,473	1,142,844
General administration			
Regular wages	238,246	238,247	234,436
Benefits	200,000	918,343	990,529
Interdepartmental charges	-	3,570,983	3,509,255
Professional services	15,000	337,253	287,421
Repairs and maintenance	25,000	301,949	194,384
Operating supplies	21,000	18,079	22,965
Risk management	200,000	230,174	215,569
Miscellaneous	4,000	27,727	13,464
Total general administration	703,246	5,642,755	5,468,023

**VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION- BUDGET AND ACTUAL
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017		2016
	Final Budget	Actual	Actual
Operating Expenses (cont.)			
Water and sewer facilities			
Repairs and maintenance	\$ 75,000	\$ 15,665	\$ 43,610
Utilities	75,000	52,270	47,008
Depreciation	-	870,971	884,397
Total water and sewer facilities	150,000	938,906	975,015
Total operating expenses	14,103,861	20,534,247	20,638,891
Operating Income (Loss)	8,951,612	6,737,617	5,193,639
Non-Operating Revenues (Expenses)			
Investment income	-	10,157	78
Interest expense	(1,788,879)	(346,918)	(435,824)
Amortization of bond cost and fees	-	(19,705)	(19,706)
Total non-operating revenues (expenses)	(1,788,879)	(356,466)	(455,452)
Net Income Before Transfers	7,162,733	6,381,151	4,738,187
Transfers			
Transfers (out)	-	7,112	15,285
Total transfers	-	7,112	15,285
Change in Net Position	\$ 7,162,733	6,388,263	4,753,472
Net Position			
Beginning of Year		54,229,143	49,475,671
End of Year		\$ 60,617,406	\$ 54,229,143

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
DECEMBER 31, 2017

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 1,720,680	\$ 1,791,880	\$ 3,512,560
Investments			
State and local obligations	52,448	267,250	319,698
U.S. government and agency obligations	2,549,576	3,053,030	5,602,606
Insurance company contracts	9,745,696	-	9,745,696
Equity mutual funds	7,595,716	13,496,916	21,092,632
Corporate bonds	2,778,503	2,216,285	4,994,788
Receivables (net)			
Accrued interest	29,181	30,203	59,384
Prepaid items	2,182	4,802	6,984
Total assets	<u>24,473,982</u>	<u>20,860,366</u>	<u>45,334,348</u>
Liabilities			
Expenses due/unpaid	<u>12,956</u>	<u>8,619</u>	<u>21,575</u>
Total liabilities	<u>12,956</u>	<u>8,619</u>	<u>21,575</u>
Net Position Held in Trust for Pension Benefits	<u><u>\$ 24,461,026</u></u>	<u><u>\$ 20,851,747</u></u>	<u><u>\$ 45,312,773</u></u>

VILLAGE OF MELROSE PARK, ILLINOIS
COMBINING SCHEDULE OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Police Pension Fund	Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer	\$ 2,683,691	\$ 3,267,702	\$ 5,951,393
Plan members	962,677	507,441	1,470,118
Total contributions	<u>3,646,368</u>	<u>3,775,143</u>	<u>7,421,511</u>
Investment Income			
Interest and dividends earned	332,903	467,277	800,180
Net increase (decrease) in fair value	2,054,641	2,379,828	4,434,469
Total investment income	<u>2,387,544</u>	<u>2,847,105</u>	<u>5,234,649</u>
Less investment expense	<u>(19,011)</u>	<u>(27,638)</u>	<u>(46,649)</u>
Net investment earnings	<u>2,368,533</u>	<u>2,819,467</u>	<u>5,188,000</u>
Total additions	<u>6,014,901</u>	<u>6,594,610</u>	<u>12,609,511</u>
Deductions			
Administration	84,912	57,981	142,893
Benefits	3,403,209	4,533,141	7,936,350
Refunds	<u>-</u>	<u>85,080</u>	<u>85,080</u>
Total deductions	<u>3,488,121</u>	<u>4,676,202</u>	<u>8,164,323</u>
Change in Net Position	<u>2,526,780</u>	<u>1,918,408</u>	<u>4,445,188</u>
Net Position Held in Trust for Pension Benefits			
Beginning of Year	<u>21,934,246</u>	<u>18,933,339</u>	<u>40,867,585</u>
End of Year	<u>\$ 24,461,026</u>	<u>\$ 20,851,747</u>	<u>\$ 45,312,773</u>

VILLAGE OF MELROSE PARK, ILLINOIS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
VILLAGE LIBRARY
DECEMBER 31, 2017

Assets

Property tax receivable	\$ 918,280
Prepaid expenses	5,231
Total assets	<u>\$ 923,511</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities	
Accounts payable	\$ 16,710
Cash overdraft	536,307
Claims payable	50,159
Due to other governments	233,272
Total liabilities	<u>836,448</u>

Deferred Inflows of Resources

Unearned revenues	897,168
Total deferred inflows of resources	<u>897,168</u>

Fund balance

Unreserved fund balance	<u>(810,105)</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 923,511</u>
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Reconciliation to Statement of Net Position

Total fund balance - governmental fund (from above)	\$ (810,105)
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Amounts reported from the discretely presented component unit 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 fund.

Capital assets	\$ 1,310,012	
Accumulated depreciation	<u>(789,168)</u>	
Net capital assets		<u>520,844</u>

Net position of component unit	\$ <u>(289,261)</u>
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VILLAGE OF MELROSE PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT
VILLAGE LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2017

Revenues	
Property tax revenue	\$ 977,926
Grant revenue	19,730
Miscellaneous revenue	<u>7,487</u>
Total revenues	<u>1,005,143</u>
 Expenditures	
Current	
Culture and recreation	<u>1,009,335</u>
Total expenditures	<u>1,009,335</u>
 Net Change in Fund Balance	 <u>(4,192)</u>
 Fund Balance - Beginning of Year	 <u>(805,913)</u>
 Fund Balance - End of Year	 <u><u>\$ (810,105)</u></u>

Reconciliation to Statement of Activities

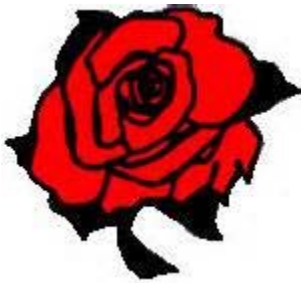
Total net change in fund balance - governmental fund (from above)	\$ (4,192)
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Amounts reported from the discretely presented component unit
in the Statement of Net Position are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the Statement of Activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense

Depreciation expense	<u>46,610</u>
 Change in net position of component unit	 <u><u>\$ 42,418</u></u>

OTHER INFORMATION



VILLAGE OF MELROSE PARK, ILLINOIS

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2001A**

Fiscal Year	Capital Appreciation Bonds				
	Original Principal	Accretion To Date	Currently Payable	Future Accretion	CAB Total
2018	\$ 331,272	\$ 282,571	\$ 613,843	\$ 236,157	\$ 850,000
2019	548,897	473,665	1,022,562	477,438	1,500,000
2020	<u>514,879</u>	<u>449,456</u>	<u>964,335</u>	<u>535,665</u>	<u>1,500,000</u>
Total	<u>\$ 1,395,048</u>	<u>\$ 1,205,692</u>	<u>\$ 2,600,740</u>	<u>\$ 1,249,260</u>	<u>\$ 3,850,000</u>

Original Amount of Issue: \$ 2,774,103

Bonds Due: December 15th

Interest Dates: June 15th, December 15th

Interest Rates: 4.30% - 5.15%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2003C**

Fiscal Year	Capital Appreciation Bonds					CAB Total
	Original Principal	Accretion To Date	Currently Payable	Future Accretion		
2018	\$ 260,494	\$ 147,505	\$ 407,999	\$ 142,001	\$ 550,000	
2019	246,991	142,589	389,580	165,420	555,000	
2020	262,606	154,881	417,487	212,513	630,000	
2021	215,105	128,974	344,079	205,921	550,000	
2022	225,373	137,351	362,724	252,276	615,000	
2023	385,363	237,574	622,937	467,063	1,090,000	
Total	\$ 1,595,932	\$ 948,874	\$ 2,544,806	\$ 1,445,194	\$ 3,990,000	

Original Amount of Issue: \$ 2,301,680

Bonds Due: December 15

Interest Dates: December 15

Interest Rates: 4.70% - 5.40%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2004A**

Fiscal Year	Principal	Interest	Total
2018	\$ 340,000	\$ 162,338	\$ 502,338
2019	360,000	139,388	499,388
2020	385,000	115,088	500,088
2021	410,000	89,100	499,100
2022	440,000	61,425	501,425
2023	<u>470,000</u>	<u>31,725</u>	<u>501,725</u>
Total	<u>\$ 2,405,000</u>	<u>\$ 599,064</u>	<u>\$ 3,004,064</u>

Original Amount of Issue: \$ 4,800,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 6.75%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2010A**

Fiscal Year	Principal	Interest	Total
2018	\$ 1,765,000	\$ 88,731	\$ 1,853,731
2019	<u>1,145,000</u>	<u>35,781</u>	<u>1,180,781</u>
Total	<u><u>\$ 2,910,000</u></u>	<u><u>\$ 124,512</u></u>	<u><u>\$ 3,034,512</u></u>

Original Amount of Issue: \$ 11,455,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 3.125%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION BONDS
SERIES 2010B**

Fiscal Year	Principal	Interest	Total
2018	<u>\$ 1,140,000</u>	<u>\$ 45,600</u>	<u>\$ 1,185,600</u>
Total	<u><u>\$ 1,140,000</u></u>	<u><u>\$ 45,600</u></u>	<u><u>\$ 1,185,600</u></u>

Original Amount of Issue: \$ 8,070,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 1.60% - 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2011**

Fiscal Year	Principal	Interest	Total
2018	\$ 295,000	\$ 150,428	\$ 445,428
2019	<u>2,982,500</u>	<u>69,958</u>	<u>3,052,458</u>
Total	<u><u>\$ 3,277,500</u></u>	<u><u>\$ 220,386</u></u>	<u><u>\$ 3,497,886</u></u>

Original Amount of Issue: \$ 5,900,000

Bonds Due: August 15, November 15, February 15, May 15

Interest Dates: August 15, November 15, February 15, May 15

Interest Rates: 4.75%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2011A**

Fiscal Year	Principal	Interest	Total
2018	\$ -	\$ 165,400	\$ 165,400
2019	-	165,400	165,400
2020	235,000	165,400	400,400
2021	-	156,000	156,000
2022	1,700,000	156,000	1,856,000
2023	<u>1,775,000</u>	<u>71,000</u>	<u>1,846,000</u>
Total	<u>\$ 3,710,000</u>	<u>\$ 879,200</u>	<u>\$ 4,589,200</u>

Original Amount of Issue: \$ 3,710,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.00% - 5.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION TAX INCREMENT BONDS
(ALTERNATIVE REVENUE SOURCE), SERIES 2011B**

Fiscal Year	Principal	Interest	Total
2018	\$ -	\$ 67,600	\$ 67,600
2019	1,095,000	67,600	1,162,600
2020	<u>595,000</u>	<u>23,800</u>	<u>618,800</u>
Total	<u>\$ 1,690,000</u>	<u>\$ 159,000</u>	<u>\$ 1,849,000</u>

Original Amount of Issue: \$ 1,690,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION BONDS
SERIES 2012**

Fiscal Year	Principal	Interest	Total
2018	\$ 590,000	\$ 464,150	\$ 1,054,150
2019	615,000	440,550	1,055,550
2020	640,000	415,950	1,055,950
2021	660,000	390,350	1,050,350
2022	685,000	367,250	1,052,250
2023	710,000	343,275	1,053,275
2024	735,000	318,425	1,053,425
2025	770,000	292,700	1,062,700
2026	805,000	254,200	1,059,200
2027	835,000	222,000	1,057,000
2028	870,000	188,600	1,058,600
2029	905,000	153,800	1,058,800
2030	940,000	117,600	1,057,600
2031	980,000	80,000	1,060,000
2032	<u>1,020,000</u>	<u>40,800</u>	<u>1,060,800</u>
Total	<u>\$ 11,760,000</u>	<u>\$ 4,089,650</u>	<u>\$ 15,849,650</u>

Original Amount of Issue: \$ 14,355,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.00% - 5.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION BONDS
SERIES 2015**

Fiscal Year	Principal	Interest	Total
2018	\$ 1,155,000	\$ 186,450	\$ 1,341,450
2019	955,000	157,575	1,112,575
2020	985,000	133,700	1,118,700
2021	1,305,000	104,150	1,409,150
2022	920,000	51,950	971,950
2023	<u>505,000</u>	<u>15,150</u>	<u>520,150</u>
Total	<u><u>\$ 5,825,000</u></u>	<u><u>\$ 648,975</u></u>	<u><u>\$ 6,473,975</u></u>

Original Amount of Issue: \$ 8,910,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**GENERAL OBLIGATION BONDS
SERIES 2016**

Fiscal Year	Principal	Interest	Total
2018	\$ 435,000	\$ 79,367	\$ 514,367
2019	440,000	70,667	510,667
2020	455,000	61,867	516,867
2021	465,000	51,857	516,857
2022	260,000	41,162	301,162
2023	270,000	34,402	304,402
2024	280,000	26,977	306,977
2025	285,000	18,579	303,579
2026	<u>300,000</u>	<u>9,600</u>	<u>309,600</u>
Total	<u>\$ 3,190,000</u>	<u>\$ 394,478</u>	<u>\$ 3,584,478</u>

Original Amount of Issue: \$ 3,660,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 3.20%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

**WATER REVENUE BONDS
SERIES 1998A**

Fiscal Year	Principal	Interest	Total
2018	\$ 2,530,000	\$ 205,310	\$ 2,735,310
2019	-	73,750	73,750
2020	<u>1,475,000</u>	<u>73,750</u>	<u>1,548,750</u>
Total	<u>\$ 4,005,000</u>	<u>\$ 352,810</u>	<u>\$ 4,357,810</u>

Original Amount of Issue: \$ 40,150,000

Bonds Due: January 1

Interest Dates: January 1, July 1

Interest Rates: 4.00%- 5.50%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

\$8,573,968 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN OF 1998

Fiscal Year	Principal	Interest	Total
2018	\$ 541,307	\$ 32,701	\$ 574,008
2019	555,609	18,399	574,008
2020	<u>283,285</u>	<u>3,718</u>	<u>287,003</u>
Total	<u>\$ 1,380,201</u>	<u>\$ 54,818</u>	<u>\$ 1,435,019</u>

Original Amount of Issue: \$ 8,573,768

Bonds Due: June 1

Interest Dates: December 1, June 1

Interest Rates: 2.60%

**VILLAGE OF MELROSE PARK, ILLINOIS
DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2017**

\$5,241,848 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY LOAN OF 1999

Fiscal Year	Principal	Interest	Total
2018	\$ 335,815	\$ 19,577	\$ 355,392
2019	344,381	11,009	355,390
2020	<u>175,470</u>	<u>2,224</u>	<u>177,694</u>
Total	<u>\$ 855,666</u>	<u>\$ 32,810</u>	<u>\$ 888,476</u>

Original Amount of Issue: \$ 5,241,848

Bonds Due: June 1

Interest Dates: December 1, June 1

Interest Rates: 2.50%