

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2014**



**Prepared by the Finance Department**

**VILLAGE OF MELROSE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

December 31, 2014

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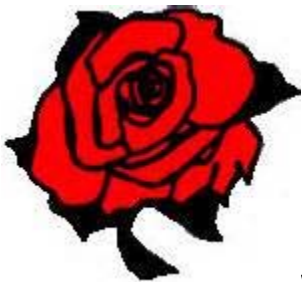
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## **FINANCIAL SECTION**



**VILLAGE OF MELROSE PARK, ILLINOIS**

# GW & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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South Chicago Heights, IL 60411

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## 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 ("the Village"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund and the Firefighters' Pension Fund, which represent 81 percent, 93 percent, and 51 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 Police Pension Fund and Firefighters' Pension Fund, 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.

### Basis for Qualified Opinion on the Governmental Activities

When the Village adopted Governmental Accounting Standards Board ("GASB") Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* in fiscal 2012, they calculated only the Net Pension Obligation for the year of implementation rather than from the date of transition as is required by the Statement for the Police Pension and Firefighter's Pension Plans. As a result, the Net Pension Obligation is understated by an indeterminable amount as is beginning Net Position of the Governmental Activities.

## **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion on the Governmental Activities paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Village as of December 31, 2014 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress and employer contributions for pension and other post employment benefit plans and budgetary comparison information on pages 3-11 and 74-79 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's 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*JW & Associates, P.C.*

South Chicago Heights, Illinois  
August 24, 2015

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

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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, 2014, assets and deferred outflows of resources of the Village exceeded liabilities and deferred inflows of recourse by \$32.5 million (net position) compared to \$36.8 million in the prior year.

The decrease in net position from the prior year is mostly due to the increase of net OPEB obligation of \$4.2 million and an increase of net pension obligation of \$3.6million offset by a reduction of bonds due to scheduled payments.

The Village's governmental funds reported combined fund balance at December 31, 2014 of \$16.3 million, a decrease of \$2.4 million from the prior year.

General revenues accounted for \$38.7 million in revenue or 81% of all governmental revenues. Program specific revenues accounted for \$9.0 million or 19% of total governmental revenues.

The Village had \$58.5 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, 2014**

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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, 2014**

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

	STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2014 (In Millions of Dollars)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenue:						
Program revenues - charges for services	\$ 7.1	\$ 6.0	\$ 23.4	\$ 22.7	\$ 30.5	\$ 28.7
Operating & capital grants	1.9	0.9	-	-	1.9	0.9
General revenues						-
Property tax	16.7	16.3	-	-	16.7	16.3
Other taxes	17.7	16.5	-	-	17.7	16.5
Intergovernmental	3.1	3.7	-	-	3.1	3.7
Other general revenues	1.2	1.0	-	-	1.2	1.0
Total revenue	47.7	44.4	23.4	22.7	71.1	67.1
Expenses:						
General government	7.6	7.1	-	-	7.6	7.1
Public safety	31.9	28.4	-	-	31.9	28.4
Refuse	1.8	1.7	-	-	1.8	1.7
Highway and street	6.9	5.5	-	-	6.9	5.5
Community development	5.0	4.4	-	-	5.0	4.4
Culture and recreation	2.0	1.8	-	-	2.0	1.8
Hispanic liaison center	0.1	-	-	-	0.1	-
Interest	3.2	3.4	-	-	3.2	3.4
Water	-	-	16.7	14.9	16.7	14.9
Total expense	58.5	52.3	16.7	14.9	75.2	67.2
Change in net assets before transfers and contributions	(10.8)	(7.9)	6.7	7.8	(4.1)	(0.1)
Transfers	5.1	7.0	(5.1)	(7.0)	-	-
Change in net position	(5.7)	(0.9)	1.6	0.8	(4.1)	(0.1)
Net position- Beginning	(6.1)	(5.1)	42.9	42.1	36.8	32.7
Net position - Ending	\$ (11.8)	\$ (6.0)	\$ 44.5	\$ 42.9	\$ 32.7	\$ 32.6

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2014**

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

STATEMENT OF NET POSITION						
December 31, 2014						
(In Millions of Dollars)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 33.8	\$ 36.6	\$ 21.4	\$ 18.8	\$ 55.2	\$ 55.4
Capital assets	60.8	59.6	38.1	38.8		
Total assets	94.6	96.2	59.5	57.6	55.2	153.8
Deferred outflows of resources	0.3	0.4	0.1	0.1		
Long-term liabilities	89.1	85.6	13.6	13.3	102.7	98.9
Other liabilities	4.9	5.1	1.6	1.5	6.5	6.6
Total liabilities	94.0	90.7	15.2	14.8	109.2	105.5
Deferred Inflows of resources	12.9	12.0	-	-	12.9	12.0
Investment in capital assets net of related debt	41.0	38.9	26.7	26.6	67.7	65.5
Restricted net position	9.8	10.7	4.1	4.2	13.9	14.9
Unrestricted net position	(62.7)	(55.7)	13.6	12.1	(49.1)	(43.6)
Total net position	\$ (11.9)	\$ (6.1)	\$ 44.4	\$ 42.9	\$ 32.5	\$ 36.8

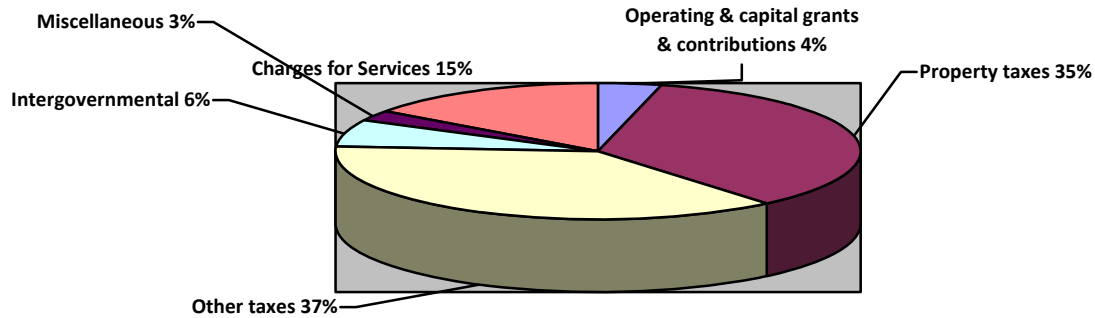
#### Financial Analysis of the Government-Wide Statements

For governmental activities, total revenue increased by \$3.3 million from the prior year. However, expenses also increased by \$6.2 million with most of the increase in public safety (up \$3.5 million) and highway and streets (up \$1.4 million). After a \$5.1 million transfer from business type activities there was still a decrease in net position of \$5.7 million.

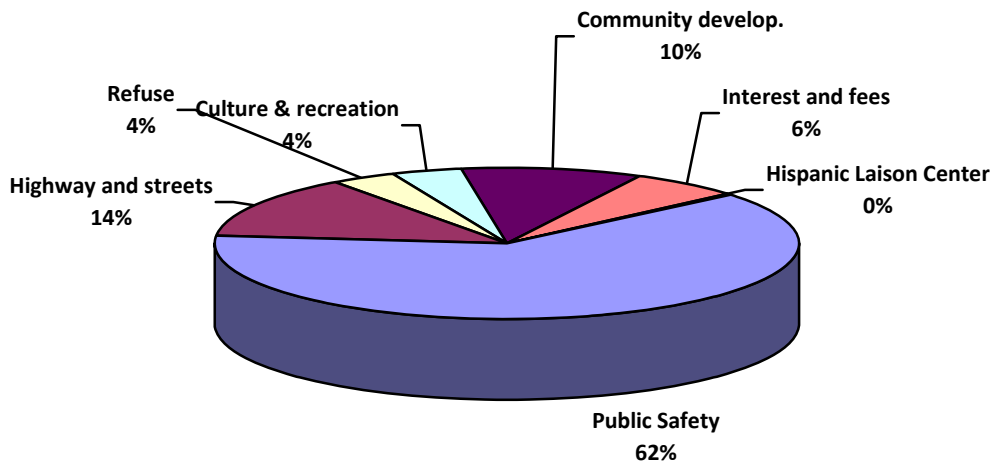
**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

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**Governmental Revenues by Source**



**Government Expenses by Function**



Business type activities revenues and expenses experienced increases of \$0.7 million and \$1.8 million, respectively, compared to the prior year.

For governmental activities, current and other assets decreased by \$2.8 million from the prior year. The decrease in net position from the prior year is mostly due to the increase of net OPEB obligation of \$4.2 million and an increase of net pension obligation of \$3.6 million offset by a reduction of bonds due to scheduled payments.

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

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## **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.

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

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

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***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 80.

**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 \$16.3 million, down \$2.4 million from the prior year total of \$18.7 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 undesignated fund balance of the General Corporate Fund decreased \$.1 million to \$9.2 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 \$2.4 million from the prior year with property taxes and sales taxes being the primary causes of the increase. General fund expenditures are up over \$4.5 million. Increase in economic incentives, increased personnel cost due to collectively bargaining agreements and the addition of the Hispanic Liaison Center accounted for the increase.

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

Actual revenue exceeded budgeted revenue by \$8.8 million. This was primarily a result of property taxes exceeding budget by about \$1.4 million and sales taxes exceeding budget by about \$3.2 million, unbudgeted grant revenue of \$1.1 million and charges for services exceeding budget by \$.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 over budget by \$8.7 million. During the budget process the Village did not have a Hispanic Liaison Center department, therefore the Village did not budget \$900 thousand for the purchase of and operations of the building. Community development, which consists of developer incentives, was also not budgeted for and contributed \$3.0 million to the budget variance.

*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 \$6.7 million before transfers. Actual revenues of the Water and Sewer Fund exceeded budget by \$2.5 million. Operating expenses also exceeded budget by over \$2.5 million. After a \$5.1 million transfer to the general fund, net position of the water fund increase by \$1.5 million

*Capital assets*

By the end of 2014, the Village has compiled a total investment of \$134 million (\$98.9 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 \$3.0 million, which was mostly due to the addition of the Hispanic Liaison Center (\$833K) and the acquisition of various parcels of land (\$795K). Total depreciation expense for the year was \$2.3 million. More detailed information about capital assets can be found in note 3 of the basic financial statements.

**Capital Assets (net of depreciation)  
(in millions of dollars)**

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Land	\$ 26.8	\$ 26.0	3.1%	\$ 0.7	\$ 0.7	0.0%	\$ 27.5	\$ 26.7	3.0%
Constuction in Progress	0.1	-	100.0%	-	-	0.0%	0.1	-	100.0%
Buildings	14.6	14.3	2.1%	0.9	0.9	0.0%	15.5	15.2	2.0%
Improvements other than buildings	1.7	1.6	6.2%	0.1	0.1	0.0%	1.8	1.7	5.9%
Vehicles	2.1	2.3	-8.7%	0.2	0.2	0.0%	2.3	2.5	-8.0%
Machinery	1.9	2.1	-9.5%	0.2	0.2	0.0%	2.1	2.3	-8.7%
Infrastructure	13.6	13.2	3.0%	36.0	36.7	-1.9%	49.6	49.9	-0.6%
<b>Total</b>	<b>\$ 60.8</b>	<b>\$ 59.5</b>	<b>2.2%</b>	<b>\$ 38.1</b>	<b>\$ 38.8</b>	<b>-1.9%</b>	<b>\$ 98.9</b>	<b>\$ 98.3</b>	<b>0.6%</b>

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

*Long-term debt*

At the end of 2014, the Village of Melrose Park had total long-term debt of \$102.7 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 obligation. 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 increases in the net pension obligation and 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		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Bonds Payable	\$ 60.1	\$ 64.4	-6.7%	\$ 6.7	\$ 6.7	0.0%	\$ 66.8	\$ 71.1	-6.0%
Loan payable	6.5	5.9	10.2%	4.7	5.5	-14.5%	11.2	11.4	-1.8%
Net pension									
Obligation	13.9	10.4	33.7%	-	-	0.0%	13.9	10.4	33.7%
OPEB	8.5	4.3	97.7%	2.3	1.1	109.1%	10.8	5.4	100.0%
Line of credit	-	0.2	-100.0%	-	-	0.0%	-	0.2	-100.0%
 Total	 \$ 89.0	 \$ 85.2	 4.5%	 \$ 13.7	 \$ 13.3	 2.9%	 \$ 102.7	 \$ 98.5	 4.3%

*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 25<sup>th</sup> Avenue, Melrose Park, IL 60160.



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
<b>Assets</b>				
Cash and investments	\$ 30,197,183	\$ 191,427	\$ 30,388,610	\$ -
Receivables (net of allowances for uncollectibles)				
Property taxes	12,894,863	-	12,894,863	996,441
Intergovernmental	4,285,064	-	4,285,064	-
Utility taxes	258,992	-	258,992	-
Water and sewer	-	2,854,857	2,854,857	-
Restricted cash and investments for debt service	-	4,089,472	4,089,472	-
Internal balances	(14,312,952)	14,312,952	-	-
Prepaid expenses	60,229	-	60,229	-
Due from component unit	450,220	-	450,220	-
Capital assets not being depreciated				
Land	26,841,882	711,826	27,553,708	333,332
Construction in progress	76,338	-	76,338	-
Capital assets net of accumulated depreciation				
Buildings and improvements	16,316,937	890,002	17,206,939	33,177
Vehicles and equipment	3,955,816	383,483	4,339,299	52,173
Infrastructure	13,610,954	36,093,179	49,704,133	-
Total assets	94,635,526	59,527,198	154,162,724	1,415,123
<b>Deferred Outflows of Resources</b>				
Loss on debt refunding	304,451	118,233	422,684	-
Total deferred outflows of resources	304,451	118,233	422,684	-
<b>Liabilities</b>				
Accounts payable	2,791,191	1,168,422	3,959,613	35,892
Cash overdraft	-	-	-	155,174
Accrued payroll	309,521	-	309,521	-
Insurance claims payable	1,545,427	204,493	1,749,920	56,498
Payroll liabilities	173	-	173	-
Deposits payable	-	9,260	9,260	-
Accrued interest payable	106,721	181,343	288,064	-
Other liabilities	161,439	-	161,439	-
Due to primary government	-	-	-	450,220
Noncurrent liabilities				
Due within one year	5,260,000	811,941	6,071,941	-
Due in more than one year	83,761,985	12,838,066	96,600,051	-
Total liabilities	93,936,457	15,213,525	109,149,982	697,784
<b>Deferred Inflows of Resources</b>				
Unearned revenues	12,887,957	-	12,887,957	996,243
Total deferred inflows of resources	12,887,957	-	12,887,957	996,243
<b>Net Position</b>				
Invested in capital assets, net of related debt	41,038,888	26,687,736	67,726,624	418,682
Restricted for				
Debt service	4,288,615	4,089,472	8,378,087	-
Community development	5,473,182	-	5,473,182	-
Unrestricted	(62,685,121)	13,654,698	(49,030,424)	(697,586)
Total net position	\$ (11,884,436)	\$ 44,431,906	\$ 32,547,470	\$ (278,904)

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Functions/Programs	Expenses	Program Revenues			Primary Government			Component Unit Public Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 7,622,429	\$ 2,679,137	\$ -	\$ 1,037,664	\$ (3,905,628)	\$ -	\$ (3,905,628)	\$ -
Public safety	31,893,916	3,213,742	-	-	(28,680,174)	-	(28,680,174)	-
Highway and streets	6,843,143	699,976	853,875	-	(5,289,292)	-	(5,289,292)	-
Refuse	1,762,663	-	-	-	(1,762,663)	-	(1,762,663)	-
Culture and recreation	2,004,434	475,832	-	-	(1,528,602)	-	(1,528,602)	-
Hispanic liaison center	116,128	-	-	-	(116,128)	-	(116,128)	-
Community development	5,004,120	-	-	-	(5,004,120)	-	(5,004,120)	-
Interest and fees	3,240,090	-	-	-	(3,240,090)	-	(3,240,090)	-
Total government activities	58,486,923	7,068,687	853,875	1,037,664	(49,526,697)	-	(49,526,697)	-
Business-Type Activities								
Water and sewer	16,729,262	23,380,431	-	-	-	6,651,169	6,651,169	-
Total business-type activities	16,729,262	23,380,431	-	-	-	6,651,169	6,651,169	-
Total primary government	\$ 75,216,185	\$ 30,449,118	\$ 853,875	\$ 1,037,664	(49,526,697)	6,651,169	(42,875,528)	-
Component Unit - Public Library	\$ 1,101,073	\$ -	\$ 37,764	\$ -				(1,063,310)
General Revenues and Transfers								
Property taxes					16,658,258	-	16,658,258	911,307
Other taxes								
Sales taxes					14,101,773	-	14,101,773	-
Telecommunication taxes					651,387	-	651,387	-
Utility taxes					2,558,031	-	2,558,031	-
Amusement taxes					391,996	-	391,996	-
Intergovernmental								
State income tax					2,433,493	-	2,433,493	-
Personal property replacement tax					746,360	-	746,360	-
Investment income					27,847	30	27,877	34,077
Miscellaneous					1,092,625	-	1,092,625	-
Loss on disposal of capital assets					(5,325)	-	(5,325)	-
Transfers					5,115,132	(5,115,132)	-	-
Total general revenues and transfers					43,771,577	(5,115,102)	38,656,476	945,383
Change in Net Position					(5,755,120)	1,536,067	(4,219,053)	(117,926)
Net Position - Beginning					(6,129,316)	42,895,839	36,766,523	(160,978)
Net Position - Ending					\$ (11,884,436)	\$ 44,431,906	\$ 32,547,470	\$ (278,904)

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Debt</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Service</b>	<b>Funds</b>	<b>Funds</b>
<b>Assets</b>				
Cash and investments	\$ 17,564,037	\$ 4,063,872	\$ 8,569,274	\$ 30,197,183
Receivables (net of allowances for uncollectibles)				
Property taxes	10,577,326	2,317,537	-	12,894,863
Intergovernmental	4,221,073	-	63,991	4,285,064
Utility taxes	258,992	-	-	258,992
Prepaid Expenses	-	-	60,229	60,229
Due from component unit	450,220	-	-	450,220
Due from other funds	7,119,218	-	1,080,989	8,200,207
Total assets	<u>\$ 40,190,865</u>	<u>\$ 6,381,409</u>	<u>\$ 9,774,483</u>	<u>\$ 56,346,757</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,714,602	\$ -	\$ 76,589	\$ 2,791,191
Accrued payroll	309,521	-	-	309,521
Payroll liabilities	173	-	-	173
Insurance claims payable	162,403	-	-	162,403
Due to other funds	15,850,203	-	6,662,956	22,513,159
Other liabilities	95,040	-	66,399	161,439
Total liabilities	<u>19,131,943</u>	<u>-</u>	<u>6,805,944</u>	<u>25,937,886</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenue	11,813,805	2,312,559	-	14,126,364
Total deferred inflows of resources	<u>11,813,805</u>	<u>2,312,559</u>	<u>-</u>	<u>14,126,364</u>
<b>Fund Balances</b>				
Restricted	-	4,068,850	5,692,947	9,761,797
Unassigned	9,245,117	-	(2,724,408)	6,520,710
Total fund balances	<u>9,245,117</u>	<u>4,068,850</u>	<u>2,968,539</u>	<u>16,282,507</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,190,865</u>	<u>\$ 6,381,409</u>	<u>\$ 9,774,483</u>	<u>\$ 56,346,757</u>

**VILLAGE OF MELROSE PARK, ILLINOIS  
RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

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<b>Total fund balances - governmental funds</b>	<b>\$ 16,282,507</b>
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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	\$ 81,557,275	
Depreciation expense to date	<u>(20,755,348)</u>	
		60,801,927

Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental balance sheet.	(1,383,024)
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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.	1,238,409
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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.	(106,721)
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Deferred loss on debt refunding is not included in the governmental balance sheet.	304,451
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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 Statement of Net Position.	(89,021,985)
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<b>Net position of governmental activities</b>	<u><u>\$ (11,884,436)</u></u>
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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, 2014**

	<b>Major Funds</b>		<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>Debt</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Service</b>	<b>Funds</b>	<b>Funds</b>
<b>Revenues</b>				
Taxes				
Property	\$ 9,690,230	\$ 1,774,300	\$ 5,193,728	\$ 16,658,258
Utility	2,558,031	-	-	2,558,031
Personal property replacement	746,360	-	-	746,360
Telecommunication	656,368	-	-	656,368
Sales	14,205,035	-	-	14,205,035
State income	2,433,493	-	-	2,433,493
Gaming	90,096	-	-	90,096
Amusement	391,996	-	-	391,996
Licenses, permits and fees	1,765,086	-	-	1,765,086
Fines and forfeitures	2,401,031	-	-	2,401,031
Charges for services	1,152,277	-	945,563	2,097,840
Investment income	25,221	135	2,491	27,847
Motor fuel tax	-	-	1,306,609	1,306,609
Grants	1,075,192	-	224,372	1,299,564
Other revenue	1,092,625	-	-	1,092,625
Total revenues	<u>38,283,041</u>	<u>1,774,435</u>	<u>7,672,763</u>	<u>47,730,239</u>
<b>Expenditures</b>				
Current				
General government	8,258,452	-	-	8,258,452
Public safety	22,220,339	-	707,761	22,928,100
Highway and streets	5,300,858	-	1,917,820	7,218,678
Refuse	1,762,663	-	-	1,762,663
Culture and recreation	1,855,278	-	-	1,855,278
Hispanic liaison center	948,662	-	-	948,662
Community development	2,978,812	-	1,854,729	4,833,541
Debt service				
Principal payments	273,440	1,865,000	3,250,000	5,388,440
Interest and fiscal charges	419,554	990,792	1,347,451	2,757,797
Total expenditures	<u>44,018,058</u>	<u>2,855,792</u>	<u>9,077,761</u>	<u>55,951,611</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(5,735,017)</u>	<u>(1,081,357)</u>	<u>(1,404,998)</u>	<u>(8,221,372)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,383,462	2,099,300	3,613,906	12,096,668
Transfers out	(1,430,380)	(1,056,701)	(4,494,455)	(6,981,536)
Loan proceeds	670,000	-	-	670,000
Total other financing sources (uses)	<u>5,623,082</u>	<u>1,042,599</u>	<u>(880,549)</u>	<u>5,785,132</u>
<b>Net Change in Fund Balances</b>	<u>(111,935)</u>	<u>(38,758)</u>	<u>(2,285,547)</u>	<u>(2,436,240)</u>
<b>Fund Balances - Beginning of Year</b>	<u>9,357,052</u>	<u>4,107,609</u>	<u>5,254,086</u>	<u>18,718,747</u>
<b>Fund Balances - End of Year</b>	<u>\$ 9,245,117</u>	<u>\$ 4,068,850</u>	<u>\$ 2,968,539</u>	<u>\$ 16,282,507</u>

See accompanying notes to financial statements

**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, 2014**

<b>Net change in fund balances - total governmental funds</b>	\$	(2,436,240)
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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 \$2,653,140 exceeded depreciation of \$1,429,316 in the current period.		1,223,824
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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.		(923,797)
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The implicit costs of other post employment benefits which exceed contributions made by the Village are a long-term liability.		(4,200,146)
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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.		(488,531)
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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	\$ (67,390)	
Amortization of premiums	72,772	
Amortization of discounts	(7,530)	
		(2,148)

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.		(108,243)
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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	8,386	
Net IMRF Pension Obligation	(4,068)	
		4,318

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.		5,388,440
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The change in net pension obligation is 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.		(3,537,272)
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The loss on the disposal of capital assets is not reported in the governmental funds		(5,325)
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Issuance of a long-term liabilities is an other financing sources in the governmental funds, but issuance increases long-term liabilities in the Statement of Net position and does not affect the Statement of Activities.		(670,000)
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(5,755,120)</b>
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**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2014**

	<b>Water and Sewer</b>
<b>Assets</b>	
Current assets	
Cash and investments	\$ 191,427
Accounts receivable (net of allowance)	2,854,857
Restricted cash and investments	4,089,472
Due from other funds	14,312,952
Total current assets	<u>21,448,708</u>
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	711,826
Depreciable buildings, property, and equipment (net of accumulated depreciation)	<u>37,366,664</u>
Total noncurrent assets	<u>38,078,490</u>
Total assets	<u>59,527,198</u>
<b>Deferred Outflows of Resources</b>	
Loss on debt refunding	<u>118,233</u>
Total deferred outflows of resources	<u>118,233</u>
Total assets and deferred outflows of resources	<u>\$ 59,645,431</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 1,168,422
Insurance claims payable	204,493
Deposits payable	9,260
Accrued interest payable	181,343
Total current liabilities	<u>1,563,518</u>
Noncurrent liabilities	
Due within one year	811,941
Due after one year	12,838,066
Total noncurrent liabilities	<u>13,650,007</u>
Total liabilities	<u>15,213,525</u>
<b>Net Position</b>	
Investment in capital assets, net of related debt	26,687,736
Restricted for	
Debt service	4,089,472
Unrestricted	13,654,698
Total net position	<u>44,431,906</u>
Total liabilities and net position	<u>\$ 59,645,431</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Water and Sewer</u>
<b>Operating Revenues</b>	
Charges for services	<u>\$ 23,380,431</u>
<b>Operating Expenses</b>	
Water transmission	13,427,172
Administration	1,083,476
Sewer	823,116
Depreciation expense	884,806
Total operating expenses	<u>16,218,570</u>
Operating income (loss)	<u>7,161,861</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	30
Amortization of bond costs and fees	(19,706)
Interest expense	(490,986)
Total nonoperating revenues (expenses)	<u>(510,661)</u>
<b>Income (Loss) Before Transfers</b>	<u>6,651,199</u>
<b>Transfers (out)</b>	<u>(5,115,132)</u>
<b>Change in Net Position</b>	<u>1,536,067</u>
<b>Fund Net Position- Beginning of Year</b>	<u>42,895,839</u>
<b>Fund Net Position- End of Year</b>	<u><u>\$ 44,431,906</u></u>



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Water and Sewer</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 23,686,347
Payments for goods and services	(11,205,714)
Payments to or on behalf of employees	(2,839,653)
Net cash provided (used) by operating activities	<u>9,640,980</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Interfund borrowing (lending)	(3,319,340)
Transfers in (out)	(5,115,132)
Net cash provided by financing activities	<u>(8,434,472)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(152,843)
Principal paid on long-term liabilities	(791,311)
Interest paid on long-term liabilities	(481,198)
Net cash used by capital and related financing activities	<u>(1,425,352)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	30
Net cash provided by (used in) investing activities	<u>30</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(218,814)</u>
<b>Cash and Cash Equivalents- Beginning of Year</b>	<u>4,499,714</u>
<b>Cash and Cash Equivalents- End of Year</b>	<u><u>\$ 4,280,900</u></u>
Cash and investments	191,427
Restricted cash and investments	4,089,472
<b>Total Cash and Cash Equivalents- End of Year</b>	<u><u>\$ 4,280,900</u></u>
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ 7,161,861
Adjustments to reconcile operating activities to net cash provided (used) by operating activities	
Depreciation	884,806
Decrease (increase) in accounts and unbilled usage receivable	305,916
Decrease (increase) in prepaids	101,566
(Decrease) increase in deposits payable	(4,714)
(Decrease) increase in other post employment benefits	1,127,380
(Decrease) increase in accounts payable, claims payable and other liabilities	64,165
Total adjustments	<u>2,479,119</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 9,640,980</u></u>

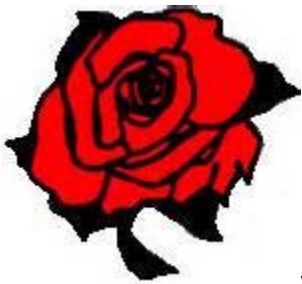
**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2014**

	<b>Pension Trusts</b>	<b>Agency</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,396,168	\$ 576,923
Investments		
U.S. government and agency obligations	5,400,812	-
Corporate bonds	3,644,084	-
Insurance company contracts	12,398,464	-
Equity securities	3,974,912	-
Equity mutual funds	13,529,718	-
Money market mutual funds	293,756	-
State and local obligations	435,674	-
Receivables		
Accrued interest	49,194	-
Prepaid items	3,867	-
Total assets	<u>41,126,649</u>	<u>576,923</u>
<b>Liabilities</b>		
Due to other agencies	-	576,923
Expenses Due/Unpaid	22,820	-
Total liabilities	<u>22,820</u>	<u>576,923</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u>\$ 41,103,829</u>	<u>\$ -</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Pension Trusts</b>
<b>Additions</b>	
Contributions	
Employer	\$ 4,242,287
Plan members	1,233,139
Total contributions	<u>5,475,426</u>
Investment Income	
Interest and dividends earned	697,350
Net appreciation in fair value of investments	1,997,492
Less investment expenses	<u>(78,855)</u>
Net investment earnings	<u>2,615,987</u>
Total additions	<u>8,091,413</u>
<b>Deductions</b>	
Administration	108,737
Benefits	6,756,513
Refunds	<u>88,551</u>
Total deductions	<u>6,953,801</u>
<b>Change in Net Position</b>	<u>1,137,612</u>
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning of Year	<u>39,966,217</u>
End of Year	<u><u>\$ 41,103,829</u></u>

## **NOTES TO FINANCIAL STATEMENTS**



**VILLAGE OF MELROSE PARK, ILLINOIS**

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014

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### 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 25<sup>th</sup> 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 25<sup>th</sup> Avenue, Melrose Park, IL 60160.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014. 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, 2014

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### 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, liabilities, 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 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.

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, 2014

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### 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).

Motor Fuel Tax	E911
9 <sup>th</sup> & 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 <sup>th</sup> & 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, 2014

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### 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, except for income taxes. Income taxes received after 60 days are being considered as available as historically, income taxes collected within 60 days have represented all taxes expected to be collected. 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, 2014

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### 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, 2014

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### 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. One such benchmark is the 90-day T-Bill note. 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, 2014

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### **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, 2014

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### 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. Fair values are based on quoted market prices. 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 2014 attach as an enforceable lien on January 1, 2015, 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 2014 tax levy, which attached as an enforceable lien on the property as of January 1, 2014, has been recorded as a receivable as of December 31, 2014.

Tax bills for levy year 2014 are prepared by the county and issued on or about February 1, 2015 and July 1, 2015, and are payable in two installments, on or about March 1, 2015 and August 1, 2015 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2014 property tax levy is recognized as a receivable and unearned revenue in fiscal 2014, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2014, the property taxes receivable and unearned revenue consisted of the estimated amount collectible from the 2014 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 3.00% (\$448,786) of outstanding property taxes at December 31, 2014.

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 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **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 estimated fair 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.

***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.



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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.

#### **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.
- 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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, 2014

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### 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.

The Village is authorized to change budgeted amounts within any fund; however, revision 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 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.

### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<b>Funds</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Excess Expenditures over Budget</b>
General	\$35,067,950	\$44,018,058	\$8,950,108
Water & Sewer	13,173,682	19,272,017	6,098,335
Motor Fuel Tax	766,000	1,917,820	1,151,820
Debt Service	2,318,355	2,855,792	537,437
E-911	575,000	707,761	132,761

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 and Motor Fuel Tax Fund, by future general tax revenues for the General Fund and by transfers in to the Debt Service Fund.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014, the following individual fund held a deficit balance:

<b>Fund</b>	<b>Amount</b>	<b>Reason</b>
E-911	\$1,734,374	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	829,264	Expenditures exceeded revenues due to construction projects that were not planned, being paid from MFT funds.
25th Ave & North TIF District	160,770	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF.

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 \$10,435,429 as of December 31, 2014. The deficit balance was due to the 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 debt outstanding to capital items in excess of depreciable values of the assets 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.

**VILLAGE OF MELROSE PARK, ILLINOIS**

Notes to financial statements  
December 31, 2014

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**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:

	<b>Carrying Value</b>	<b>Bank and Investment Balances</b>	<b>Associated Risks</b>
Deposits with financial institutions	\$ 23,625,491	\$ 24,598,203	Custodial credit risk - deposits
Corporate bonds	3,644,084	3,644,084	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Money market mutual funds	9,839,563	9,839,563	Credit risk
U.S. government and agency obligations	5,400,812	5,400,812	Interest rate risk, Concentration of credit risk, Custodial credit risk - investments, Credit risk
Commercial paper	3,254,275	3,254,275	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Stock equities	3,974,912	3,974,912	Concentration of credit risk, Custodial credit risk - investments
State and local obligations	435,674	435,674	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Insurance company contracts	12,398,464	12,398,464	Concentration of credit risk, Custodial credit risk - investments
Equity mutual funds	13,529,718	13,529,718	Custodial credit risk - investments
Petty cash			N/A
Total deposits and investments	<u>\$ 76,102,993</u>	<u>\$ 77,075,705</u>	

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments	\$ 30,388,610
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Restricted cash and investments	4,063,872
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Per statement of net position-  
fiduciary funds

Agency Fund cash	576,923
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Pension Trusts cash	1,396,168
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Pension Trusts investments	<u>39,677,420</u>
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Total Deposits and Investments	<u><u>\$ 76,102,993</u></u>
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Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and demand deposit accounts.

#### ***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. Having sufficient collateral to cover the deposits held on hand, the Village was not exposed to any Custodial Credit risk for the year ended 2014.

##### **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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014, the Village's investments were rated as follows:

Investment Type	Composite Ratings
Commercial Paper	A1P1
Money Market Mutual Funds	AAAm
State and Local Obligations	AA or better

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.	\$33,803	3.50%	December 1, 2025
Federal Home Loan Mortgage Corp.	26,456	4.00%	June 1, 2026
Federal Home Loan Mortgage Corp.	5,680	5.00%	October 10, 2039
Federal National Mortgage Association	15,019	4.00%	October 1, 2018
Federal National Mortgage Association	22,246	7.50%	April 1, 2024
Federal National Mortgage Association	5,084	4.50%	September 1 2033
Federal National Mortgage Association	54,919	3.00%	April 1, 2043

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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
Champaign County School District Board	\$40,000	6.250%	June ,. 2030
Federal Home Loan Mortgage Corp.	106,238	3.500%	December 1, 2025
Federal Home Loan Mortgage Corp.	83,147	4.000%	June 1, 2026
Federal Home Loan Mortgage Corp.	62,043	3.000%	February 1, 2027
Federal Home Loan Mortgage Corp.	30,847	2.315%	April 1, 2036
Federal Home Loan Mortgage Corp.	48,242	2.248%	April 1, 2036
Federal Home Loan Mortgage Corp.	46,417	6.000%	January 1, 2039
Federal Home Loan Mortgage Corp.	15,490	5.000%	October 1, 2039
Federal Home Loan Mortgage Corp.	48,691	6.000%	July 1, 2040
Federal Home Loan Mortgage Corp.	116,285	4.000%	July 1, 2040
Federal Home Loan Mortgage Corp.	27,456	4.500%	July 1, 2041
Federal Home Loan Mortgage Corp.	61,810	4.500%	March 1, 2042
Federal Home Loan Mortgage Corp.	123,071	3.500%	March 1, 2042
Federal Home Loan Mortgage Corp.	126,267	3.500%	April 1, 2042
Federal Home Loan Mortgage Corp.	371,690	3.000%	January 1, 2043
Federal Home Loan Mortgage Corp.	138,682	3.000%	October 1, 2043
Federal Home Loan Mortgage Corp.	65,573	3.500%	April 1, 2044
Federal National Mortgage Association	285	4.000%	February 1, 2015
Federal National Mortgage Association	114,197	5.479%	June 1, 2017
Federal National Mortgage Association	38,671	4.000%	October 1, 2018
Federal National Mortgage Association	17,707	5.500%	June 1, 2020
Federal National Mortgage Association	8,651	5.500%	January 1, 2022
Federal National Mortgage Association	33,656	5.000%	April 1, 2025
Federal National Mortgage Association	24,894	5.000%	February 1, 2031
Federal National Mortgage Association	83,210	5.500%	July 1, 2037
Federal National Mortgage Association	57,065	4.500%	November 1, 2040
Federal National Mortgage Association	34,260	4.000%	June 1, 2041
Federal National Mortgage Association	71,721	4.500%	December 1, 2041
Federal National Mortgage Association	68,649	3.000%	April 1, 2043



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014, the Village's investment portfolio (excluding pensions) was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Tokyo-Mitsubishi	Commercial Paper	29.66%

This is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer. At December 31, 2014, the Police Pension Fund has over 5% of plan net position, \$1,097,036, invested in various agency securities as indicated in the table above within credit risk section and various insurance contracts and mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments 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 by 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. The Police Pension Fund does not have a formal written policy with regard to the concentration of credit risk for investments. The Fund's investment policy specifies "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 53% of its portfolio be in fixed income securities, 42% in equities, 3% real estate and 2% cash and equivalents. The Police Pension Board has diversified its insurance contract and mutual fund holdings as follows:

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Mass Mutual Insurance Contracts	\$3,785,657
AIG Life Insurance Contract	1,709,809
ING Insurance Contract	1,353,023
AIG SunAmerica Insurance Contract	1,387,626
John Hancock Insurance Contract	1,183,604
American National Insurance Contract	1,239,752
Scudder Gateway Insurance Contract	1,154,912
Jackson National Life Insurance Contract	2,162
Vanguard REIT ETF Fund	302,130
iShares MSCI ETF Fund	272,475
Vanguard FTSE Emerging Markets ETF Fund	257,729
iShares MSCI United Kingdom ETF Fund	229,522
iShares MSCI Pacific ex Japan ETF Fund	188,545
ishares MSCI Japan ETF Fund	169,050
SPDR Euro Stoxx 50 ETF Fund	156,286
iShares Japan Large-Cap ETF Fund	99,384
iShares Cohen & Steers REIT ETF Fund	98,777
iShares MSCI Hong Kong ETF Fund	97,360
iShares MSCI Taiwan ETF Fund	95,193
iShares MSCI Canada ETF Fund	88,600
iShares China Large-Cap ETF Fund	62,430
iShares MSCI South Korea Capped ETF Fund	49,761
iShares Latin America 40 Stock ETF Fund	29,265

This is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. At December 31, 2014, the Firefighters' Pension Fund has over 5% of plan net assets, \$958,156, invested in various agency securities as indicated in the table above within credit risk section and various insurance contracts and mutual fund 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. The Firefighters' Pension Fund's investment policy specifies "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."

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

The Firefighters' Pension Fund's investment policy has a slated target that 42% of its portfolio be in fixed income securities, 5.5% in real estate and 49.5% target in equities with the remaining 3% cash and equivalents. The Firefighters' Pension Board has diversified its insurance contracts and mutual fund holdings as follows:

American National Insurance Contracts	\$581,919
Vanguard Total Stock Market Index Fund	9,065,931
Schwab International Index Fund	1,902,315
Vanguard REIT ETF Fund	364,965

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2014, the Village's investments (excluding pensions) were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
Commercial paper	\$ 3,254,275	\$ 3,254,275	\$ -	\$ -	\$ -
Totals	\$ 3,254,275	\$ 3,254,275	\$ -	\$ -	\$ -

#### **Police Pension Fund**

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury Bonds	\$ 150,918	\$ -	\$ -	\$ -	\$ 150,918
U.S. Treasury Notes	839,822	24,992	685,059	72,505	57,266
Governmental National Mortgage Association	473,534	-	24,558	22,254	426,722
Federal National Mortgage Association	102,540	-	15,905	25,323	61,312
Corporate Bonds	955,703	20,118	442,520	196,177	296,888
Money Market Mutual Funds	232,405	232,405	-	-	-
State and Local Obligations	92,686	-	19,575	33,953	39,158
Federal Home Loan Mortgage Corp	90,551	-	20,015	-	70,536
Totals	\$ 2,938,159	\$ 277,515	\$ 1,207,632	\$ 350,212	\$ 1,102,800

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

## NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

<b>Firefighters' Pension Fund</b>		<b>Maturity (In Years)</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>
State and Local Obligations	\$ 342,988	\$ -	\$ -	\$ 78,683	\$ 264,305
U.S. Treasury Bonds	597,720	-	-	-	597,720
U.S. Treasury Notes	768,701	24,992	652,092	91,617	-
Governmental National Mortgage Association	84,482	-	-	-	84,482
Federal Home Loan Mortgage Corp.	1,703,756	100,074	-	-	1,603,682
Federal National Mortgage Association	588,788	285	164,201	28,030	396,272
Corporate Bonds	2,688,381	304,744	1,036,652	770,976	576,009
Money Market Mutual Funds	61,351	61,351	-	-	-
Totals	<u>\$ 6,836,167</u>	<u>\$ 491,446</u>	<u>\$ 1,852,945</u>	<u>\$ 969,306</u>	<u>\$ 3,522,470</u>

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

**VILLAGE OF MELROSE PARK, ILLINOIS**

Notes to financial statements  
December 31, 2014

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**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>Water and Sewer Fund</u>	<u>Nonmajor and Other Funds</u>
Receivables				
Property taxes	\$ 10,904,398	\$ 2,439,251	\$ -	\$ -
Sales taxes	3,584,274	-	-	-
State income taxes	285,195	-	-	-
Motor fuel taxes	-	-	-	63,991
Telecommunication taxes	160,756	-	-	-
Replacement taxes	190,708	-	-	-
Utility	258,992	-	-	-
Accounts	-	-	2,854,857	-
Other	<u>140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross receivables	<u>15,384,463</u>	<u>2,439,251</u>	<u>2,854,857</u>	<u>63,991</u>
Less: Allowance for uncollectibles	<u>(327,072)</u>	<u>(121,714)</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 15,057,391</u>	<u>\$ 2,317,537</u>	<u>\$2,854,857</u>	<u>\$ 63,991</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, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Governmental funds report deferred revenue 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 earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year - General Fund	\$ -	\$ 10,575,306	\$ 10,575,306
Property taxes receivable for subsequent year - Debt Service	-	2,312,559	2,312,559
Property taxes receivable for subsequent year - Nonmajor Funds	-	-	-
Sales/use taxes- General Fund	1,183,721	-	1,183,721
Telecommunication taxes- General Fund	54,697	-	54,697
Other - General Fund	<u>81</u>	<u>-</u>	<u>81</u>
Total deferred/unearned revenue	<u>\$ 1,238,499</u>	<u>\$ 12,887,865</u>	<u>\$ 14,126,364</u>

### C. RESTRICTED ASSETS

Following is a list of restricted assets at December 31, 2014:

	<u>Restricted Assets</u>
Debt service	<u>\$ 4,089,472</u>
Total Restricted Assets	<u>\$ 4,089,472</u>

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

## NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

### D. CAPITAL ASSETS

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital Assets Not Being Depreciated				
Land	\$ 26,046,882	\$ 795,000	\$ -	\$26,841,882
Construction in Progress	-	76,338		76,338
Total Capital Assets Not Being Depreciated	26,046,882	871,338	-	26,918,220
Capital Assets Being Depreciated				
Improvements Other than Buildings	2,209,251	54,600	-	2,263,851
Buildings	21,924,115	832,534	-	22,756,649
Machinery and Equipment	4,286,782	45,038	-	4,331,820
Vehicles	5,065,801	138,994	46,900	5,157,895
Infrastructure	19,418,204	710,635		20,128,839
Total Capital Assets Being Depreciated	52,904,153	1,781,802	46,900	54,639,055
Less: Accumulated Depreciation for				
Improvements Other than Buildings	569,205	44,630	-	613,835
Buildings	7,645,250	444,478	-	8,089,728
Machinery and Equipment	2,169,980	261,797	-	2,431,777
Vehicles	2,803,243	340,454	41,575	3,102,122
Infrastructure	6,179,928	337,957		6,517,885
Total Accumulated Depreciation	19,367,606	1,429,316	41,575	20,755,347
Total Capital Assets Being Depreciated, Net	33,536,548	352,486	5,325	33,883,708
Governmental Activities Capital Assets, Net	\$ 59,583,430	\$ 1,223,824	\$ 5,325	\$60,801,928

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

## NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$	236,309
Public safety		443,595
Highways and street, including infrastructure		429,677
Community development		170,579
Culture and Recreation		149,156
Total Governmental Activities Depreciation Expense	\$	1,429,316

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	48,618,510	119,239	-	48,737,749
Vehicles	535,868	33,606	-	569,474
Total Capital Assets Being Depreciated	51,074,560	152,845	-	51,227,405
Less Accumulated Depreciation for				
Buildings	704,652	27,362	-	732,014
Equipment	75,300	20,364	-	95,664
Water system infrastructure	11,858,173	786,397	-	12,644,570
Vehicles	337,809	50,683	-	388,492
Total Accumulated Depreciation	12,975,934	884,806	-	13,860,740
Total Capital Assets Being Depreciated, Net	38,098,626	(731,961)	-	37,366,665
Business-Type Capital Assets, Net	\$ 38,810,452	\$ (731,961)	\$ -	\$38,078,491



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Depreciation expense was charged to functions as follows:

#### Business-Type Activities

Water and Sewer	\$ <u>884,806</u>
Total Business-Type Activities Depreciation Expense	\$ <u>884,806</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	\$ 7,119,218
Other Funds	General	1,537,251
Water	General	<u>14,312,952</u>
Total - Fund Financial Statements		<u>22,969,421</u>
Less: Fund Eliminations		<u>(8,656,469)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 14,312,952</u></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, 2014

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#### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

At December 31, 2014, the discretely presented component unit - Library Fund had a payable balance of \$450,220 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	\$ 1,056,701	Excess debt service funds transferred to general fund
	Nonmajor	211,629	Local gas tax transferred to general fund
	Water and Sewer	5,115,132	Foregiveness of amounts owed from the general fund to water and sewer and expense reimbursement
		<u>6,383,462</u>	
Debt Service	General	1,430,380	From general fund for debt service
	Nonmajor	<u>668,920</u>	From MFT and Lake Street Corridor TIF for debt service
		<u>2,099,300</u>	
Nonmajor	Nonmajor	3,613,906	Various transfers between contiguous TIFs
Total - Fund Financial Statements		<u>12,096,668</u>	
Less Fund eliminations		<u>(6,981,536)</u>	
Total Transfers- Government-Wide Statement of Activities		<u>\$ 5,115,132</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, 2014

## NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 23,795,000	\$ -	\$ 1,865,000	\$ 21,930,000	\$ 1,915,000
Alternative revenue bonds	980,000	-	170,000	810,000	185,000
Tax incremental financing bonds	39,626,485	488,531	3,080,000	37,035,016	3,520,000
Unamortized premium	495,279	-	72,772	422,507	-
Unamortized discount	(83,552)	-	(7,530)	(76,022)	-
Total bonds and notes payable	64,813,212	488,531	5,180,242	60,121,501	5,620,000
<b>Other Liabilities</b>					
Loans	5,899,878	670,000	59,843	6,510,035	160,000
Net pension obligation - police	4,463,657	1,768,766	-	6,232,423	-
Net pension obligation - fire	5,686,033	1,768,506	-	7,454,539	-
Line of credit	213,596	-	213,596	-	-
Net OPEB obligation	4,298,948	4,200,146	-	8,499,094	-
Net IMRF pension obligation	200,325	4,068	-	204,393	-
Total other liabilities	20,762,437	8,411,486	273,439	28,900,484	160,000
Total Governmental Activities					
Long-Term Liabilities	\$ 85,575,649	\$ 8,900,017	\$ 5,453,681	\$ 89,021,985	\$ 5,780,000

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

## NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 6,655,000	\$ -	\$ -	\$ 6,655,000	\$ -
Total bonds and notes payable	6,655,000	-	-	6,655,000	-
Other Liabilities					
Net OPEB obligation	1,131,873	1,127,380	-	2,259,253	-
Illinois EPA loans	5,527,065	-	791,311	4,735,754	811,941
Total other liabilities	6,658,938	-	791,311	6,995,007	811,941
Total Business-Type Activities					
Long-Term Liabilities	\$ 13,313,938	\$ -	\$ -	\$ 13,650,007	\$ 811,941

### *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, 2014
2006	December 27, 2006	December 15, 2026	5.10% - 5.65%	\$ 6,610,000	\$ 4,215,000
2010B	November 2, 2010	December 15, 2018	1.60%- 4.0%	8,070,000	4,335,000
2012	April 19, 2012	December 15, 2032	4.0%- 4.5%	14,355,000	13,380,000
Total Governmental Activities- General Obligation Debt					\$ 21,930,000

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Debt service requirements to maturity are as follows:

Year	Governmental Activities General Obligation Debt	
	Principal	Interest
2015	1,915,000	920,452
2016	1,995,000	845,666
2017	2,025,000	764,753
2018	2,110,000	682,207
2019	1,015,000	592,678
2020-2024	5,115,000	2,272,375
2025-2029	4,815,000	1,165,258
2030-2032	2,940,000	238,400
Totals	<u>\$21,930,000</u>	<u>\$ 7,481,789</u>

#### ***Alternative Revenue Debt***

##### ***Governmental Activities Alternative Revenue Debt***

Alternative revenue debt is payable from motor fuel tax fund revenue.

The Village also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Alternative revenue bonds have been issued for governmental activities.

The Village has pledged future motor fuel tax revenues, net of specified operating expenses, to repay \$2,140,000 million in alternative revenue bonds issued in 2003. Proceeds from the bonds provided financing for capital improvements. The bonds are payable solely from motor fuel tax revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require \$211,331 - \$229,625 of net revenues. The total principal and interest remaining to be paid on the bonds is \$900,526. Principal and interest paid for the current year was \$211,331.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

Alternative revenue debt payable at December 31, 2014, consists of the following:

#### Governmental Activities

<u>Alternative Revenue Debt</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
2003E	December 15, 2003	December 15, 2018	2.05%- 4.00%	\$ 2,140,000	\$ 810,000
Total Governmental Activities- Alternative Revenue Debt					<u>\$ 810,000</u>

Debt service requirements to maturity are as follows:

<u>Year</u>	<u>Governmental Activities Alternative Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2015	185,000	34,744
2016	195,000	27,344
2017	210,000	18,813
2018	220,000	9,625
Totals	<u>\$ 810,000</u>	<u>\$ 90,526</u>

#### **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 are expected to require \$1,003,148 to \$3,922,509 of net revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2014 was \$11,390,754 and \$1,758,077, respectively. Principal and interest paid for the current year and total customer net revenues were \$1,272,509 and \$23,380,431, respectively.

**VILLAGE OF MELROSE PARK, ILLINOIS**

Notes to financial statements  
December 31, 2014

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

Revenue debt payable at December 31, 2014, consists of the following:

***Business-Type Activities Revenue Debt***

<b>Water Utility</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance December 31, 2014</b>
Illinois EPA Wastewater Treatment Loan of 1998	June 1, 1998	June 1, 2020	2.60%	\$ 8,573,768	\$ 2,921,940
Illinois EPA Wastewater Treatment Loan of 1999	June 1, 1999	June 1, 2020	2.50%	5,241,848	1,813,814
Revenue Bond Series of 1998A	January 1, 1998	January 1, 2020	4.00%-5.50%	40,150,000	6,655,000
Total Business-Type Activities Revenue Debt					<u>\$ 11,390,754</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, 2014, \$9,595,000 of bonds outstanding are considered defeased.

Debt service requirements to maturity are as follows:

<b>Year</b>	<b>Business-Type Activities Revenue Debt</b>	
	<b>Principal</b>	<b>Interest</b>
2015	811,941	460,566
2016	833,111	439,397
2017	3,504,833	417,676
2018	3,407,122	257,588
2019	899,990	103,158
2020	1,933,757	79,692
Totals	<u>\$11,390,754</u>	<u>\$ 1,758,077</u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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, 2014, consist of the following:

#### **Governmental Activities**

<b>Tax Increment Financing Bonds</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance December 31, 2014</b>
2001A	December 15, 2001	December 15, 2020	4.30%- 5.15%	\$ 2,774,103	\$ 5,049,300
2002A	December 5, 2002	December 15, 2022	3.05%- 5.50%	2,750,000	2,115,000
2002B	November 11, 2002	December 15, 2021	4.20%- 9.00%	3,000,000	2,015,000
2003A	June 24, 2003	December 15, 2022	2.35%- 4.60%	750,000	570,000
2003C	June 24, 2003	December 15, 2023	4.70%- 5.40%	2,301,680	4,013,217
2003D	June 24, 2003	December 15, 2023	2.55%- 5.00%	4,700,000	3,360,000
2004A	April 26, 2004	December 15, 2023	6.75%	4,800,000	3,290,000
2010A	November 2, 2010	December 15, 2019	2.00%- 3.125%	11,455,000	7,060,000
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	4,162,500
Total Governmental Activities- Tax Increment Financing Bonds					<u>\$ 37,035,017</u>



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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.

Debt service requirements to maturity are as follows:

Year	Governmental Activities Tax Increment Financing Bonds	
	Principal	Interest
2015	3,520,000	1,221,145
2016	3,940,000	1,124,852
2017	4,430,000	1,022,208
2018	4,730,000	909,040
2019	8,612,500	708,800
2020-2023	14,310,000	1,267,330
Totals	<u>\$39,542,500</u>	<u>\$ 6,253,375</u>

#### ***Other Debt Information***

Estimated payments of other postemployment benefits obligation and net pension obligation are not included in the debt service requirement schedules. The other postemployment benefits obligation and net pension obligation 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 \$5,843,368 as of December 31, 2014. The loans' maturity date was originally February 2012 but was extended through January 2018. The interest rates on these notes vary from 4.75% to 6.25%.

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 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

All loans are expected to be paid from General Fund.

#### **G. FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

##### ***Governmental Funds***

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

#### **Restricted**

##### Major Funds

Debt Service Fund - Restricted for debt service	\$ 4,068,850
	<u>4,068,850</u>

##### Nonmajor Funds

##### Special Revenue Funds

Mid Metro TIF - Restricted for community development	1,651,687
Joyce Brothers TIF- Restricted for community development	423,660
9th & North Avenue TIF - Restricted for community development	742,763
Lake Street Corridor TIF - Restricted for community development	1,140,656
Zenith Opus TIF - Restricted for community development	189,625
Senior First TIF - Restricted for community development	772,832
Chicago Avenue & Superior TIF - Restricted for community development	551,959
	<u>5,473,182</u>

##### Debt Service Funds

2003 MFT Bond - Restricted for debt service	<u>219,765</u>
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Total Restricted	<u>\$ 9,761,797</u>
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#### **Unassigned**

##### Major Fund

General Fund	<u>\$ 9,694,124</u>
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##### Nonmajor Fund

25th and North TIF - Restricted for community development	(160,770)
Motor Fuel Tax - Restricted for streets and highways	(829,264)
E-911	<u>(1,734,374)</u>
Total Nonmajor Fund Unassigned	<u>\$ (2,724,408)</u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### 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**

	<b>Carrying Value</b>	<b>Statement Balances</b>	<b>Associated Risks</b>
Deposits	\$ (157,776)	\$ -	Custodial credit
Petty cash	2,602	7,855	N/A
Total deposits and investments	<u>\$ (155,174)</u>	<u>\$ 7,855</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, 2014

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

## c. Capital Assets

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Useful Lives (Years)</b>
Land	\$ 333,332	\$ -	\$ -	\$ 333,332	
Buildings	376,954	-	-	376,954	50
Equipment	439,359	-	-	439,359	1-10
Less: Accumulated depreciation	<u>(710,874)</u>	<u>(20,089)</u>	<u>-</u>	<u>(730,963)</u>	
				-	
Totals	<u>\$ 438,771</u>	<u>\$ (20,089)</u>	<u>\$ -</u>	<u>\$ 418,682</u>	

## d. Interfunds

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

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General	Library	<u>\$ 450,220</u>
Total - Fund Financial Statements		<u>\$ 450,220</u>

- e. Receivables as of year-end for the library are \$996,441 for property taxes, net of \$30,812 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 a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

#### Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in Regular Tier 1. If the member first participated in IMRF on or after January 1, 2011, they participate in Regular Tier 2.

For Regular Tier 1, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For Regular Tier 2, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village contribution rate for 2014 was 12.24 percent of annual covered payroll. The Village annual required contribution rate for 2014 was 12.24 percent of annual covered payroll.

#### Police Pension

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The Police Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois Legislature. Administrative costs are financed through investment earnings.

At December 31, 2013, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	56
Current employees	<u>73</u>
Total	<u><u>129</u></u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

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, 2014, the Village's contribution was 31.73% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

### Firefighters' Pension

The Firefighters' Pension Plan is a single-employer defined benefits pension plan that covers all sworn Firefighters' personnel. The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual costs of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.46% of their annual covered payroll. The Village is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings.

At December 31, 2013, the date of the latest actuarial valuation, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	71
Current employees	<u>61</u>
Total	<u>132</u>

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 10 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2014, 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, 2014, the Village's contribution was 25.07% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

### Summary of Significant Accounting Policies

#### Police and Firefighters' Pension Plans

*Basis of Accounting.* The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The Village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.



# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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## NOTE 4 – OTHER INFORMATION (continued)

### Annual Pension Cost

The Village annual required contribution for the current year and related information for each plan is as follows:

	<b>IMRF</b>	<b>Police Pension</b>	<b>Firefighters' Pension</b>
Actuarial valuation date	December 31, 2014	December 31, 2013	December 31, 2013
Contribution rate:			
Employer	12.24%	16.18%	23.41%
Employee	4.50%	9.91%	9.91%
Annual required contribution	\$ 773,051	\$ 3,626,693	\$ 3,862,790
Contributions made	773,051	1,857,927	2,094,284
Actuarial cost method	Entry-age normal	Entry-age normal	Entry-age normal
Asset valuation method	5 year smoothed market	Market	Market
Amortization method	Level percentage of payroll, open	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years	20 years	27 years
Actuarial assumptions:			
	7.50%	7.00%	7.00%
	Compounded	Compounded	Compounded
Investment rate of return	annually	annually	annually
Projected salary increases	0.4 to 10%	4.5-19.5%	4%-19.5%
Inflation rate included	4.00%	3.00%	3.00%
Cost-of-living adjustment	3.00%	3.00%	3.00%

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

## NOTE 4 – OTHER INFORMATION (continued)

### Net Pension Obligation

The following is the net pension obligation (asset) calculation from the actuarial report:

<u>Net Pension Obligation Asset</u>	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 773,051	\$ 3,626,693	\$ 3,862,790
Interest on net pension obligation	15,024	895,697	933,326
Adjustment to annual required contribution	(10,956)	(814,221)	(706,468)
Annual pension cost	777,119	3,708,169	4,089,648
Contributions made	(773,051)	(1,939,403)	(2,321,142)
Change in net pension obligation	4,068	1,768,766	1,768,506
Net pension obligation (asset), beginning of year	200,325	4,463,657	5,686,033
Net pension obligation (asset), end of year	\$ 204,393	\$ 6,232,423	\$ 7,454,539

### Trend Information

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

	<u>Year</u>	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual Pension Cost (APC)	2014	\$ 777,119	\$ 3,708,169	\$ 4,089,648
	2013	805,094	3,433,509	3,801,175
	2012	706,499	2,925,570	2,897,744
Actual Contribution	2014	773,051	1,939,403	2,321,142
	2013	793,884	944,557	1,127,129
	2012	679,634	950,865	1,131,330
Percent of APC Contributed	2014	99.48%	52.30%	56.76%
	2013	98.61%	27.51%	29.65%
	2012	96.20%	32.50%	39.04%
Net Pension Obligation	2014	204,393	6,232,423	7,454,539
	2013	200,325	4,463,657	5,686,033
	2012	189,115	1,974,705	3,011,987

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

#### Funded Status and Funding Progress

The Village's actuarial value of plan assets for the current year and related information is as follows:

	IMRF	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2014	December 31, 2013	December 31, 2013
Actuarial Value of Assets	\$ 15,222,531	\$ 20,396,983	\$ 18,831,866
Actuarial Accrued Liability	18,219,617	64,287,926	75,114,750
Unfunded Actuarial Liability	2,997,086	43,890,943	56,282,884
Funded Ratio	84%	32%	25%
Covered Payroll	6,315,775	5,838,299	4,815,744
Unfunded Liability as a Percent of Covered Payroll	47%	752%	1169%

#### ***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 \$ 56,498 of the component unit-library, \$204,493 of the business-type activity and \$1,512,753 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

#### *Claims Liability*

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - Beginning of Year	\$ 817,946	\$ 774,313
Current year claims and changes in estimates	8,566,989	6,842,591
Claims payments	<u>(7,578,517)</u>	<u>(6,798,958)</u>
Unpaid claims - End of Year	<u>\$ 1,806,418</u>	<u>\$ 817,946</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.

The Police Pension Fund is currently involved with various litigations regarding benefits eligibility and municipal funding. Although the outcome of this benefits claim 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, 2014. 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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

*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>255</u>
Total	<u><u>417</u></u>
Number of participating employers	1

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 \$599 up to \$2,133 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 \$420 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)	\$ 6,599,304
Interest on net OPEB obligation	318,626
Adjustment to ARC	<u>(658,164)</u>
Annual OPEB Cost	6,259,766
Employer Contributions Made	<u>(2,998,504)</u>
Increase in Net OPEB Obligation	3,261,262
Net OPEB Obligation, Beginning of Year	<u>7,497,085</u>
Net OPEB Obligation, End of Year	<u><u>\$ 10,758,347</u></u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### NOTE 4 – OTHER INFORMATION (continued)

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2014	\$ 6,259,766	48%	\$ 10,758,347
December 31, 2013	7,200,315	36%	7,497,085
December 31, 2012	5,206,302	52%	2,866,531

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)	\$ 76,302,738
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 76,302,738
Funded Ratio	0%
Covered Payroll	<u>\$ 19,903,000</u>
UAAL as a Percentage of Covered Payroll	<u>383%</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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2014

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### **NOTE 4 – OTHER INFORMATION (continued)**

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.

#### ***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 – Subsequent Events**

In March 2015, the Village issued \$8,910,000 General Obligation Refunding Bonds, Series 2015. This issue is to refund General Obligation Tax Increment Bonds Series 2002A, General Obligation Tax Increment Bonds Series 2002B, General Obligation Tax Increment Bonds Series 2003A, General Obligation Tax Increment Bonds Series 2003D, General Obligation Bonds Series 2003E and pay certain expenses incurred in connection with the issuance of the bonds.

**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, 2014**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Taxes			
Property	\$ 8,338,750	\$ 9,690,230	\$ (1,351,480)
Sales	11,001,500	14,205,035	(3,203,535)
Utility	2,900,000	2,558,031	341,969
Telecommunication	-	656,368	(656,368)
Amusement	228,950	391,996	(163,046)
Intergovernmental	3,222,000	4,345,141	(1,123,141)
Licenses, permits and fees	904,000	1,765,086	(861,086)
Charges for services	361,600	1,152,277	(790,677)
Fines and forfeitures	1,625,000	2,401,031	(776,031)
Investment earnings	20,000	25,221	(5,221)
Miscellaneous	880,000	1,092,625	(212,625)
Total revenues	<u>29,481,800</u>	<u>38,283,041</u>	<u>(8,801,241)</u>
<b>Expenditures</b>			
Current			
General government	6,427,703	8,258,452	(1,830,749)
Refuse	1,800,000	1,762,663	37,337
Public safety	22,101,160	22,220,339	(119,179)
Highway and streets	2,938,873	5,300,858	(2,361,985)
Culture and recreation	1,220,939	1,855,278	(634,339)
Hispanic Liaison Center	203,500	948,662	(745,162)
Community development	-	2,978,812	(2,978,812)
Debt service- principal	-	273,440	(273,440)
Debt service- interest and fees	615,000	419,554	195,446
Total expenditures	<u>35,307,175</u>	<u>44,018,058</u>	<u>(8,710,883)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(5,825,375)</u>	<u>(5,735,018)</u>	<u>(90,357)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	6,383,462	(6,383,462)
Transfers (out)	-	(1,430,380)	1,430,380
Loan proceeds	-	670,000	(670,000)
Total other financing sources (uses)	<u>-</u>	<u>5,623,082</u>	<u>(5,623,082)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (5,825,375)</u>	<u>(111,935)</u>	<u>\$ (5,713,439)</u>
<b>Fund Balances - Beginning of Year</b>		<u>9,357,052</u>	
<b>Fund Balances - End of Year</b>		<u>\$ 9,245,117</u>	



**VILLAGE OF MELROSE PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**AS OF DECEMBER 31, 2014**

<b>Actuarial Valuation Date</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2014	\$ 773,051	100.00%	\$ -
12/31/2013	795,098	100.00%	-
12/31/2012	706,499	96.00%	-

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/2014	\$ 15,222,531	\$ 18,219,617	\$ 2,997,086	83.55%	\$ 6,315,775	47.45%
12/31/2013	13,803,141	16,850,017	3,046,876	81.92%	6,069,448	50.20%
12/31/2012	11,574,730	15,317,319	3,742,589	75.57%	5,716,014	65.48%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$17,728,752. On a market basis, the funded ratio would be 97.31%.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to the financial statements.

Actuarial valuation date	12/31/2012
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	0.4 to 10.0%
Inflation factor	4.0%
Cost of living adjustments	3.0%

**VILLAGE OF MELROSE PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**POLICE PENSION FUND**  
**AS OF DECEMBER 31, 2014**

<b>Year Ended</b>	<b>Cost (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2014	\$ 3,626,693	53.48%	\$ 1,768,766
12/31/2013	3,370,479	28.02%	2,488,952
12/31/2012	2,925,570	32.50%	1,974,705

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/30/2013	\$ 20,396,983	\$ 64,287,926	43,890,943	31.73%	\$ 5,838,299	751.78%
12/31/2012	20,248,078	59,887,830	39,639,752	33.81%	5,669,231	699.21%
12/31/2011*	20,246,185	57,739,395	37,493,210	35.06%	5,721,048	655.36%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to the financial statements.

Actuarial valuation date	12/31/2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	20
Asset valuation method	5 Year Smooth Market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.5-19.5%
Inflation factor	3.0%
Cost of living adjustments	3.0%

\*Represents the first year an independent actuarial report was obtained.

**VILLAGE OF MELROSE PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS**  
**FIREFIGHTERS' PENSION FUND**  
**AS OF DECEMBER 31, 2014**

<b>Year Ended</b>	<b>Cost (ARC)</b>	<b>Percentage of ARC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2014	3,862,790	60.09%	1,768,506
12/31/2013	3,605,419	31.26%	2,674,046
12/31/2012	2,897,774	39.04%	3,011,987

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/2013	\$ 18,831,866	\$ 75,114,750	56,282,884	25.07%	\$ 4,815,744	1168.73%
12/31/2012	19,946,539	73,026,216	53,079,677	27.31%	4,586,094	1157.40%
12/31/2011	21,016,988	66,470,112	45,453,124	31.62%	4,587,676	990.77%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to the financial statements.

Actuarial valuation date	12/31/2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	27 years
Asset valuation method	5 Year Smooth Market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.0-19.5%
Inflation factor	3.0%
Cost of living adjustments	3.0%

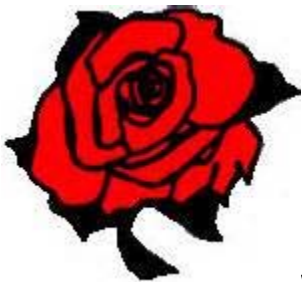
**VILLAGE OF MELROSE PARK  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN  
OTHER POST EMPLOYMENT BENEFITS PLAN  
AS OF DECEMBER 31, 2014**

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
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%
12/31/2012	-	84,427,363	84,427,363	0.00%	18,052,000	467.69%

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.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**VILLAGE OF MELROSE PARK, ILLINOIS**

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to required supplementary information  
December 31, 2014

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### 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. As the Village does not budget for its Mid Metro TIF District Fund and 25<sup>th</sup> and North Avenue TIF District Fund, nor is it legally required to, budget to actual schedules are not presented for the Mid Metro TIF District Fund and 25<sup>th</sup> and North Avenue TIF District Fund.

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 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.

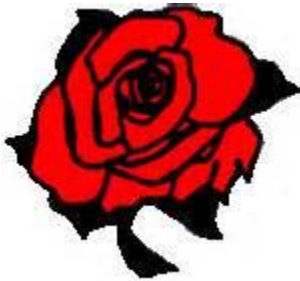
### EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the Fiscal Year ended December 31, 2014, expenditures exceeded appropriations in the following fund:

<b>Funds</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Excess Expenditures over Budget</b>
General	\$35,067,950	\$44,018,058	\$8,950,108
Water & Sewer	13,173,682	19,272,017	6,098,335
Motor Fuel Tax	766,000	1,917,820	1,151,820
Debt Service	2,318,355	2,855,792	537,437
E-911	575,000	707,761	132,761

These over expenditures will be funded by future general tax revenues.

**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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
<b>Taxes</b>			
Property	\$ 8,338,750	\$ 9,690,230	\$ 9,406,044
Sales	11,001,500	14,205,035	12,501,686
Utility	2,900,000	2,558,031	2,726,986
Telecommunication	-	656,368	731,787
Amusement	228,950	391,996	274,943
Total taxes	22,469,200	27,501,660	25,641,444
<b>Intergovernmental</b>			
State income tax	2,150,000	2,433,493	2,421,169
Personal property replacement tax	972,000	746,360	1,313,115
Gaming revenue	100,000	90,096	728
Miscellaneous grant revenue	-	1,075,192	420,530
Total intergovernmental	3,222,000	4,345,141	4,155,541
<b>Licenses, Permits, and Fees</b>			
Business licenses	333,000	512,941	489,545
Liquor licenses	200,000	187,100	210,895
Animal licenses	-	445	151
Contractor licenses	50,000	70,375	68,670
Building permit fees	100,000	520,105	614,054
Electrical permit fees	5,000	17,009	12,655
Permit fees	-	5,905	6,375
Inspection fees	15,000	28,482	23,299
Enforcement fees	50,000	139,085	144,219
Miscellaneous fees	-	38,755	56,390
Elevator inspection fees	1,000	12,935	14,425
Vehicle license fees	150,000	209,079	117,214
Sidewalk repair fees	-	22,870	33,630
Total licenses, permits and fees	904,000	1,765,086	1,791,523
<b>Charges for Services</b>			
Copy fees	30,000	34,771	35,819
Ambulance services	-	471,006	470,669
Senior fees	25,000	67,840	40,498
Franchise fees	105,000	104,355	149,599
Miscellaneous charges for services	30,000	7,440	8,747
Tower rental fees	40,000	58,613	56,414
Taste of Melrose Park	31,600	330,291	295,934
Civic center fees	100,000	77,961	83,705
Total charges for services	361,600	1,152,277	1,141,384



**VILLAGE OF MELROSE PARK, ILLINOIS  
SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Fines and Forfeitures</b>			
Court fines	\$ 50,000	\$ 40,045	\$ 60,353
Violation fines	1,575,000	2,360,986	2,243,351
Total fines and forfeitures	<u>1,625,000</u>	<u>2,401,031</u>	<u>2,303,704</u>
<b>Investment Income</b>			
Interest	20,000	25,221	21,224
Total investment income	<u>20,000</u>	<u>25,221</u>	<u>21,224</u>
<b>Miscellaneous</b>			
Sale of capital assets	-	14,756	26,000
Miscellaneous	880,000	1,077,869	818,593
Total miscellaneous	<u>880,000</u>	<u>1,092,625</u>	<u>844,593</u>
 Total revenues	 <u>\$ 29,481,800</u>	 <u>\$ 38,283,041</u>	 <u>\$ 35,899,413</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Expenditures</b>			
<b>General Government</b>			
Mayor			
Regular wages	\$ 56,000	\$ 56,000	\$ 54,667
Miscellaneous	600	-	-
Total mayor	<u>56,600</u>	<u>56,000</u>	<u>54,667</u>
Trustees			
Regular wages	117,100	117,101	112,102
Risk management	2,500	-	2,150
Total trustees	<u>119,600</u>	<u>117,101</u>	<u>114,252</u>
Village Clerk's Office			
Regular wages	35,500	35,500	34,667
Contractual services	2,365	-	-
Professional services	-	2,112	1,844
Commodities	260	-	-
Miscellaneous	1,200	2,037	1,112
Total village clerk's office	<u>39,325</u>	<u>39,649</u>	<u>37,622</u>
Liquor Commission			
Regular wages	44,000	44,000	40,667
Total liquor commission	<u>44,000</u>	<u>44,000</u>	<u>40,667</u>
Village Attorney			
Professional services	156,500	2,200	10,790
Miscellaneous	15,500	11,785	11,748
Total village attorney	<u>172,000</u>	<u>13,985</u>	<u>22,538</u>
Village Prosecutor			
Regular wages	97,600	97,600	93,100
Total village prosecutor	<u>97,600</u>	<u>97,600</u>	<u>93,100</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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>General Government (cont.)</b>			
Finance and Administration			
Regular wages	\$ 814,576	\$ 667,381	\$ 720,309
Benefits	450,000	359,132	343,493
Contractual services	95,000	92,877	3,402
Professional services	580,000	1,636,150	1,080,004
Repairs and maintenance	68,250	124,432	81,175
Commodities	8,500	298,744	167,356
Utilities	350,000	335,527	329,353
Risk management	555,000	849,447	555,658
Miscellaneous	175,500	20,089	177,560
Capital outlay	228,500	826,314	59,043
Total finance and administration	<u>3,325,326</u>	<u>5,210,093</u>	<u>3,517,353</u>
Village Hall			
Miscellaneous	20,000	42,474	23,292
Total village hall	<u>20,000</u>	<u>42,474</u>	<u>23,292</u>
IMRF/Social Security			
Benefits	1,400,500	1,456,499	1,465,839
Total IMRF/social security	<u>1,400,500</u>	<u>1,456,499</u>	<u>1,465,839</u>
Public Relations			
Contractual services	40,000	-	7,264
Commodities	57,750	63,274	68,303
Miscellaneous	-	150	84
Total public relations	<u>97,750</u>	<u>63,424</u>	<u>75,651</u>
Building Department			
Regular wages	643,902	648,032	619,379
Benefits	312,000	364,410	351,452
Contractual services	6,350	2,236	570
Professional services	15,000	28,888	23,002
Repairs and maintenance	5,450	33,656	31,415
Commodities	45,800	4,191	4,531
Utilities	17,500	19,246	23,270
Program costs	500	-	400
Miscellaneous	-	12,292	13,718
Capital outlay	4,000	176	546
Total building department	<u>1,050,502</u>	<u>1,113,127</u>	<u>1,068,283</u>
Total general government	<u>6,427,703</u>	<u>8,258,452</u>	<u>6,517,764</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Public Safety</b>			
Police department			
Regular wages	\$ 7,195,890	\$ 6,865,679	\$ 6,626,309
Overtime wages	150,000	159,431	175,824
Benefits	2,357,000	2,586,691	2,475,774
Retirement contributions	1,396,500	1,375,291	856,496
Contractual services	103,500	86,115	88,611
Professional services	22,500	130,622	60,417
Repairs and maintenance	156,000	167,979	372,377
Commodities	222,000	246,157	48,905
Utilities	160,000	222,948	220,824
Animal control	2,000	-	-
Miscellaneous	30,250	70,024	187,133
Risk management	100,000	50,000	76,584
Capital outlay	129,500	78,232	178,442
Total police department	<u>12,025,140</u>	<u>12,039,169</u>	<u>11,367,696</u>
Fire department			
Regular wages	5,445,647	5,099,099	4,821,878
Overtime wages	55,000	71,091	56,249
Benefits	1,520,000	1,750,760	1,681,635
Retirement contributions	1,682,900	1,697,746	1,045,894
Professional services	955,000	933,651	914,574
Repairs and maintenance	57,500	288,845	152,094
Commodities	53,000	25,003	16,170
Utilities	34,000	30,755	31,162
EMS services	10,000	14,198	13,328
Training and education	16,750	19,606	8,382
Miscellaneous	8,500	6,892	9,056
Annual physicals	15,000	-	2,503
Capital outlay	4,000	32,758	124,109
Total fire department	<u>9,857,297</u>	<u>9,970,404</u>	<u>8,877,034</u>
Safety and prevention			
Professional services	500	420	375
Repairs and maintenance	1,300	167	514
Commodities	1,000	63	957
Training and education	2,500	-	4,037
Total safety and prevention	<u>5,300</u>	<u>650</u>	<u>5,883</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Public Safety (cont.)</b>			
Civil defense			
Regular wages	\$ 12,400	\$ 12,400	\$ 12,400
Benefits	3,500	2,222	3,081
Professional services	1,050	2,875	706
Repairs and maintenance	27,500	19,364	28,481
Commodities	10,000	11,515	3,048
Utilities	19,500	19,813	25,852
Miscellaneous	-	1,448	346
Capital outlay	-	2,066	517
Total civil defense	<u>73,950</u>	<u>71,703</u>	<u>74,431</u>
Youth commission			
Regular wages	70,523	60,748	70,562
Board compensation	12,000	10,400	10,300
Professional services	-	450	-
Commodities	1,000	1,078	435
Utilities	-	1,186	875
Miscellaneous	9,750	12,650	11,050
Total youth commission	<u>93,273</u>	<u>86,512</u>	<u>93,222</u>
Fire and police commission			
Board compensation	23,200	23,200	23,200
Professional services	5,000	15,751	25,105
Total fire and police commission	<u>28,200</u>	<u>38,951</u>	<u>48,305</u>
Planning commission			
Board compensation	13,500	11,300	12,775
Total planning commission	<u>13,500</u>	<u>11,300</u>	<u>12,775</u>
Senior commission			
Board compensation	4,500	1,650	2,700
Total senior commission	<u>4,500</u>	<u>1,650</u>	<u>2,700</u>
Total public safety	<u>22,101,160</u>	<u>22,220,339</u>	<u>20,482,046</u>
<b>Culture and Recreation</b>			
Horticulture			
Professional services	5,000	7,694	9,356
Repairs and maintenance	14,000	25,015	6,284
Commodities	30,000	37,707	57,006
Capital outlay	-	6,871	8,563
Total horticulture	<u>49,000</u>	<u>77,287</u>	<u>81,208</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Culture and Recreation (cont.)</b>			
Environmental control			
Professional services	\$ 7,000	\$ 7,200	\$ 6,300
Total environmental control	7,000	7,200	6,300
Health department			
Regular wages	12,800	13,014	12,800
Total health department	12,800	13,014	12,800
Taste of Melrose			
Part-time wages	-	5,837	5,635
Contractual services	-	2,274	7,000
Professional services	-	98,924	119,325
Repairs and maintenance	-	100,643	57,618
Commodities	25,000	47,692	39,813
Miscellaneous	-	110,939	123,129
Total Taste of Melrose	25,000	366,309	352,520
Senior Building			
Professional services	1,250	19,571	2,703
Repairs and maintenance	87,750	160,421	65,368
Commodities	7,800	6,918	4,335
Total senior building	96,800	186,910	72,407
Civic Center			
Regular wages	461,589	491,715	494,122
Overtime wages	10,000	16,791	3,659
Benefits	277,000	285,558	273,772
Contractual services	-	45,253	48,419
Professional services	145,000	213,663	190,444
Repairs and maintenance	82,500	73,163	66,474
Commodities	4,250	1,041	692
Utilities	40,000	58,546	44,519
Miscellaneous	10,000	18,828	10,019
Total civic center	1,030,339	1,204,558	1,132,119
Total culture and recreation	1,220,939	1,855,278	1,657,354
<b>Highways and Streets</b>			
Ornamental and street lighting			
Regular wages	240,497	263,529	226,396
Overtime wages	6,000	6,057	8,157
Benefits	145,320	139,721	134,023
Repairs and maintenance	82,000	135,757	243,879

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Highways and Streets (cont.)</b>			
Ornamental and street lighting (cont.)			
Commodities	\$ 22,500	\$ 17,821	\$ 10,349
Utilities	225,200	248,236	211,492
Capital outlay	20,000	23,788	21,757
Total ornamental and street lighting	741,517	834,909	856,052
 Mini-Bus Administrative			
Regular wages	95,000	97,188	95,592
Benefits	28,200	27,622	26,482
Miscellaneous	-	-	346
Total mini-bus administrative	123,200	124,810	122,420
 Street and Bridge			
Regular wages	838,906	1,127,387	1,042,578
Overtime wages	40,000	42,873	36,597
Benefits	503,750	558,950	536,976
Professional services	151,000	1,134,429	798,446
Repairs and maintenance	138,000	716,138	352,048
Commodities	260,000	440,985	909,350
Utilities	12,500	14,478	17,354
Equipment rental	40,000	143,117	72,554
Risk management	20,000	42,452	23,803
Miscellaneous	40,000	82,600	60,062
Capital outlay	30,000	37,730	1,630,775
Total street and bridge	2,074,156	4,341,139	5,480,543
 Total highways and street	2,938,873	5,300,858	6,459,014
 <b>Refuse</b>			
Professional services	1,800,000	1,762,663	1,719,344
Total refuse	1,800,000	1,762,663	1,719,344
 <b>Hispanic Liaison Center</b>			
Regular wages	142,000	47,600	-
Benefits	24,000	-	-
Professional services	-	65,212	-
Commodities	22,500	1,582	-
Repairs and maintenance	10,000	1,734	-
Capital outlay	5,000	832,534	-
	203,500	948,662	-

**VILLAGE OF MELROSE PARK, ILLINOIS  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Community Development</b>			
Economic incentive	-	2,978,812	1,903,382
Total community development	-	2,978,812	1,903,382
<b>Debt Service</b>			
Principal	-	273,440	314,245
Interest and fees	615,000	419,554	468,741
Total debt service	615,000	692,994	782,986
Total expenditures	<u>\$ 35,307,175</u>	<u>\$ 44,018,058</u>	<u>\$ 39,521,890</u>



**VILLAGE OF MELROSE PARK, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	Special Revenue										Debt Service	Total Nonmajor Governmental Funds
			Joyce Brothers TIF District	9th & North Avenue TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District	Mid Metro TIF District	25TH & North Avenue TIF District Chicago Ave & Superior TIF		2003 MFT Bond	
	Motor Fuel Tax	E-911										
Assets												
Cash and investments	\$ 677,606	\$ 842,495	\$ 376,409	\$ 742,763	\$ 282,995	\$ 722,070	\$ 1,549,957	\$2,607,493	\$ -	\$ 547,721	\$ 219,765	\$ 8,569,274
Receivables (net)												
Intergovernmental	63,991	-	-	-	-	-	-	-	-	-	-	63,991
Prepaid	-	60,229	-	-	-	-	-	-	-	-	-	60,229
Due from other funds	-	-	47,251	-	857,661	-	160,770	11,069	-	4,238	-	1,080,989
Total assets	\$ 741,597	\$ 902,724	\$ 423,660	\$ 742,763	\$ 1,140,656	\$ 722,070	\$ 1,710,727	\$2,618,562	\$ -	\$ 551,959	\$ 219,765	\$ 9,774,483
Liabilities												
Accounts payable	\$ 76,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,589
Other liabilities	-	-	-	-	-	-	-	66,399	-	-	-	66,399
Due to other funds	1,494,272	2,637,098	-	-	-	532,445	937,895	900,476	160,770	-	-	6,662,956
Total liabilities	1,570,861	2,637,098	-	-	-	532,445	937,895	966,875	160,770	-	-	6,805,944
Fund Balances												
Restricted	-	-	423,660	742,763	1,140,656	189,625	772,832	1,651,687	-	551,959	219,765	5,692,947
Unassigned	(829,264)	(1,734,374)	-	-	-	-	-	-	(160,770)	-	-	(2,724,408)
Total fund balances	(829,264)	(1,734,374)	423,660	742,763	1,140,656	189,625	772,832	1,651,687	(160,770)	551,959	219,765	2,968,539
Total liabilities and fund balances												
	\$ 741,597	\$ 902,724	\$ 423,660	\$ 742,763	\$ 1,140,656	\$ 722,070	\$ 1,710,727	\$2,618,562	\$ -	\$ 551,959	\$ 219,765	\$ 9,774,483

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue										Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	E-911	Joyce Brothers TIF District	9th & North Avenue TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District	Mid Metro TIF District	25TH & North Avenue TIF District	Chicago Ave & Superior TIF	2003 MFT Bond	
Revenues												
Property taxes - general	\$ -	\$ -	\$ 77,036	\$ 742,742	\$ 40,730	\$ 276,931	#####	\$ 1,376,024	\$ 492,060	\$ 1,064,801	\$ -	\$ 5,193,728
Charges for services	-	294,006	-	-	-	-	-	651,557	-	-	-	945,563
Investment income	1,000	-	358	19	437	32	114	190	-	321	20	2,491
Grants	224,372	-	-	-	-	-	-	-	-	-	-	224,372
Motor fuel tax	1,306,609	-	-	-	-	-	-	-	-	-	-	1,306,609
Total revenues	1,531,981	294,006	77,394	742,761	41,167	276,963	1,123,518	2,027,771	492,060	1,065,122	20	7,672,763
Expenditures												
Current												
Public safety	-	707,761	-	-	-	-	-	-	-	-	-	707,761
Highway and streets	1,917,820	-	-	-	-	-	-	-	-	-	-	1,917,820
Community development	-	-	71,159	733,277	67,836	165,705	216,501	300,125	300,126	-	-	1,854,729
Debt service												
Principal	-	-	-	-	-	210,000	655,000	480,700	1,734,300	-	170,000	3,250,000
Interest and fees	-	-	-	-	-	132,973	583,340	99,823	489,984	-	41,331	1,347,451
Total expenditures	1,917,820	707,761	71,159	733,277	67,836	508,678	1,454,841	880,648	2,524,410	-	211,331	9,077,761
Excess (Deficiency) of Revenues over Expenditures	(385,839)	(413,755)	6,235	9,484	(26,669)	(231,715)	(331,323)	1,147,123	(2,032,350)	1,065,122	(211,311)	(1,404,998)
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	532,844	-	-	497,698	2,363,639	-	219,725	3,613,906
Transfers out	(825,274)	-	-	-	(275,000)	-	-	(2,363,639)	(497,698)	(532,844)	-	(4,494,455)
Total other financing sources (uses)	(825,274)	-	-	-	257,844	-	-	(1,865,941)	1,865,941	(532,844)	219,725	(880,549)
Net Change in Fund Balances	(1,211,113)	(413,755)	6,235	9,484	231,175	(231,715)	(331,323)	(718,818)	(166,409)	532,278	8,414	(2,285,547)
Fund Balances - Beginning of Year	381,849	(1,320,619)	417,425	733,279	909,481	421,340	1,104,155	2,370,505	5,639	19,681	211,351	5,254,086
Fund Balances - End of Year	\$ (829,264)	\$ (1,734,374)	\$ 423,660	\$ 742,763	\$ 1,140,656	\$ 189,625	\$ 772,832	\$ 1,651,687	\$ (160,770)	\$ 551,959	\$ 219,765	\$ 2,968,539

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**MOTOR FUEL TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Motor fuel tax	\$ 741,000	\$ 1,306,609	\$ 1,141,782
Grants	-	224,372	-
Interest	-	1,000	983
Total revenues	<u>741,000</u>	<u>1,531,981</u>	<u>1,142,765</u>
<b>Expenditures</b>			
Highway and streets			
Professional services	350,000	1,917,771	679,215
Other	200,000	49	3,599
Total expenditures	<u>550,000</u>	<u>1,917,820</u>	<u>682,814</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>191,000</u>	<u>(385,839)</u>	<u>459,951</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	<u>(216,000)</u>	<u>(825,274)</u>	<u>(590,823)</u>
Total other financing sources (uses)	<u>(216,000)</u>	<u>(825,274)</u>	<u>(590,823)</u>
<b>Change in Fund Balance</b>	<u>\$ (25,000)</u>	<u>(1,211,113)</u>	<u>(130,872)</u>
<b>Fund Balance</b>			
Beginning of Year		<u>381,849</u>	<u>512,720</u>
End of Year		<u>\$ (829,264)</u>	<u>\$ 381,849</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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
E-911 revenue	\$ 275,000	\$ 294,006	\$ 251,074
Total revenues	<u>275,000</u>	<u>294,006</u>	<u>251,074</u>
<b>Expenditures</b>			
Public safety			
E-911			
Professional services	<u>472,000</u>	<u>707,761</u>	<u>689,023</u>
Total expenditures	<u>472,000</u>	<u>707,761</u>	<u>689,023</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(197,000)</u>	<u>(413,755)</u>	<u>(437,950)</u>
<b>Change in Fund Balance</b>	<u>\$ (197,000)</u>	<u>(413,755)</u>	<u>(437,950)</u>
<b>Fund Balance</b>			
Beginning of Year		<u>(1,320,619)</u>	<u>(882,672)</u>
End of Year		<u>\$ (1,734,374)</u>	<u>\$ (1,320,620)</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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Property taxes - general	\$ 2,015,000	\$ 1,774,300	\$ 1,802,355
Interest	-	135	299
Total revenues	<u>2,015,000</u>	<u>1,774,435</u>	<u>1,802,654</u>
<b>Expenditures</b>			
Debt service - principal	1,350,000	1,865,000	1,810,000
Debt service - interest and fees	<u>968,355</u>	<u>990,792</u>	<u>1,050,764</u>
Total expenditures	<u>2,318,355</u>	<u>2,855,792</u>	<u>2,860,764</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(303,355)</u>	<u>(1,081,357)</u>	<u>(1,058,110)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	2,099,300	2,098,625
Transfers out	<u>-</u>	<u>(1,056,701)</u>	<u>(752,786)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,042,599</u>	<u>1,345,839</u>
<b>Change in Fund Balance</b>	<u>\$ (303,355)</u>	<u>(38,758)</u>	<u>287,729</u>
<b>Fund Balance</b>			
Beginning of Year		<u>4,107,609</u>	<u>3,819,880</u>
End of Year		<u>\$ 4,068,850</u>	<u>\$ 4,107,609</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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>			
Water and sewer sales	\$ 20,834,754	23,295,023	\$ 22,644,530
Meter sales	60,000	85,408	81,705
Other charges	-	-	-
Total operating revenues	<u>20,894,754</u>	<u>23,380,431</u>	<u>22,726,235</u>
<b>Operating Expenses</b>			
Cost of sales and services - water			
Regular wages	798,698	722,571	703,687
Overtime wages	25,000	45,827	34,720
Insurance - employee fringe	333,000	2,083,688	914,642
Professional services	65,000	66,585	88,876
Repairs and maintenance	255,500	208,472	254,601
Purchased water	10,090,503	9,861,139	9,173,556
Commodities	-	-	199
Utilities	375,000	308,078	320,760
Operating supplies	10,750	12,246	9,706
Mains and hydrants	72,500	100,873	98,516
Miscellaneous	-	213	304
Machinery and equipment - other	-	17,480	9,810
Total cost of sales and services - water	<u>12,025,951</u>	<u>13,427,172</u>	<u>11,609,377</u>
Cost of sales and services - sewer			
Regular wages	423,804	369,921	381,960
Part-time wages	-	-	7,886
Overtime wages	10,000	-	-
Benefits	211,000	195,582	188,533
Professional services	7,000	23,535	1,152
Repairs and maintenance	218,000	131,016	150,889
Commodities	26,000	28,677	21,657
Utilities		43,712	44,052
Miscellaneous	1,000	21,198	15,512
Non depreciable capital expenditures		9,475	284
Total cost of sales and services - sewer	<u>896,804</u>	<u>823,116</u>	<u>811,925</u>
General administration			
Regular wages	230,176	219,519	214,813
Benefits	400,000	329,925	214,038
Professional services	15,000	272,563	252,723
Repairs and maintenance	2,000	15,233	4,655
Operating supplies	17,000	14,372	15,283
Risk management	-	207,705	202,345
Miscellaneous	25,000	24,159	52,533
Total general administration	<u>689,176</u>	<u>1,083,476</u>	<u>956,390</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, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Expenses (cont.)</b>			
Water and sewer facilities			
Repairs and maintenance	\$ 7,500	\$ -	\$ -
Utilities	75,000	-	-
Depreciation	-	884,806	961,505
Total water and sewer facilities	<u>82,500</u>	<u>884,806</u>	<u>961,505</u>
Total operating expenses	<u>13,694,431</u>	<u>16,218,570</u>	<u>14,339,197</u>
<b>Operating Income (Loss)</b>	<u>7,200,323</u>	<u>7,161,861</u>	<u>8,387,038</u>
<b>Non-Operating Revenues (Expenses)</b>			
Investment income	-	30	20
Interest expense	588,879	(490,986)	(501,305)
Amortization of bond cost and fees	-	(19,706)	(19,705)
Total non-operating revenues (expenses)	<u>588,879</u>	<u>(510,662)</u>	<u>(520,990)</u>
<b>Net Income Before Transfers</b>	<u>7,789,202</u>	<u>6,651,199</u>	<u>7,866,048</u>
<b>Transfers</b>			
Transfers (out)	<u>(200,000)</u>	<u>(5,115,132)</u>	<u>(7,000,000)</u>
Total transfers	<u>(200,000)</u>	<u>(5,115,132)</u>	<u>(7,000,000)</u>
<b>Change in Net Position</b>	<u>\$ 7,589,202</u>	<u>1,536,067</u>	<u>866,048</u>
<b>Net Position</b>			
Beginning of Year		<u>42,895,839</u>	<u>42,029,791</u>
End of Year		<u>\$44,431,906</u>	<u>\$ 42,895,839</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION TRUST FUNDS**  
**DECEMBER 31, 2014**

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,015,173	\$ 380,995	\$ 1,396,168
Investments			
Money market mutual funds	232,405	61,351	293,756
State and local obligations	92,686	342,988	435,674
Equity securities	3,974,912	-	3,974,912
U.S. government and agency obligations	1,657,365	3,743,447	5,400,812
Insurance company contracts	11,816,545	581,919	12,398,464
Equity mutual funds	2,196,507	11,333,211	13,529,718
Corporate bonds	955,703	2,688,381	3,644,084
Receivables (net)			
Accrued interest	13,167	36,027	49,194
Prepaid items	1,255	2,612	3,867
Total assets	<u>21,955,718</u>	<u>19,170,931</u>	<u>41,126,649</u>
<b>Liabilities</b>			
Expenses Due/Unpaid	<u>15,007</u>	<u>7,813</u>	<u>22,820</u>
Total liabilities	<u>15,007</u>	<u>7,813</u>	<u>22,820</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><u>\$ 21,940,711</u></u>	<u><u>\$ 19,163,118</u></u>	<u><u>\$ 41,103,829</u></u>



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING SCHEDULE OF CHANGES IN NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 1,931,506	\$ 2,310,781	\$ 4,242,287
Plan members	756,019	477,120	1,233,139
Total contributions	<u>2,687,525</u>	<u>2,787,901</u>	<u>5,475,426</u>
Investment Income			
Interest and dividends earned	210,757	486,593	697,350
Net increase (decrease) in fair value	<u>1,060,151</u>	<u>937,341</u>	<u>1,997,492</u>
Total investment income	1,270,908	1,423,934	2,694,842
Less investment expense	<u>(47,685)</u>	<u>(31,170)</u>	<u>(78,855)</u>
Net investment earnings	<u>1,223,223</u>	<u>1,392,764</u>	<u>2,615,987</u>
Total additions	<u>3,910,748</u>	<u>4,180,665</u>	<u>8,091,413</u>
<b>Deductions</b>			
Administration	58,112	50,625	108,737
Benefits	2,861,295	3,895,218	6,756,513
Refunds	<u>88,551</u>	<u>-</u>	<u>88,551</u>
Total deductions	<u>3,007,958</u>	<u>3,945,843</u>	<u>6,953,801</u>
<b>Change in Net Position</b>	<u>902,790</u>	<u>234,822</u>	<u>1,137,612</u>
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning of Year	<u>21,037,921</u>	<u>18,928,296</u>	<u>39,966,217</u>
End of Year	<u><u>\$ 21,940,711</u></u>	<u><u>\$ 19,163,118</u></u>	<u><u>\$ 41,103,829</u></u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**BALANCE SHEET**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**VILLAGE LIBRARY**  
**DECEMBER 31, 2014**

**Assets**

Property tax receivable	\$ 996,441
Total assets	<u>\$ 996,441</u>

**Liabilities, Deferred Inflows of Resources and Fund Balance**

Liabilities

Accounts payable	\$ 35,892
Cash overdraft	155,174
Claims payable	56,498
Due to other governments	450,220
Total liabilities	<u>697,784</u>

Deferred Inflows of Resources

Unearned revenues	996,243
Total deferred inflows of resources	<u>996,243</u>

Fund balance

Unreserved fund balance	<u>(697,586)</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 996,441</u>
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Reconciliation to Statement of Net Position

<b>Total fund balance - governmental fund (from above)</b>	<b>\$ (697,586)</b>
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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	\$ 1,149,645	
Accumulated depreciation	<u>(730,963)</u>	
Net capital assets		<u>418,682</u>

<b>Net position of component unit</b>	<b>\$ (278,904)</b>
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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, 2014**

**Revenues**

Property tax revenue	\$ 911,307
Grant revenue	37,764
Miscellaneous revenue	34,077
Total revenues	<u>983,147</u>

**Expenditures**

Current	
Culture and recreation	1,080,984
Total expenditures	<u>1,080,984</u>

**Net Change in Fund Balance** (97,837)

**Fund Balance - Beginning of Year** (599,749)

**Fund Balance - End of Year** \$ (697,586)

Reconciliation to Statement of Activities

**Total net change in fund balance - governmental fund (from above)** \$ (97,837)

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	\$ (20,089)	
Capital additions	<u>-</u>	(20,089)

**Change in net position of component unit** \$ (117,926)

## **OTHER INFORMATION**



**VILLAGE OF MELROSE PARK, ILLINOIS**

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

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

<b>Fiscal Year</b>	<b>Capital Appreciation Bonds</b>				
	<b>Original Principal</b>	<b>Accretion To Date</b>	<b>Currently Payable</b>	<b>Future Accretion</b>	<b>CAB Total</b>
2015	332,165	267,062	599,227	100,773	700,000
2016	312,638	255,002	567,640	132,360	700,000
2017	417,916	348,232	766,148	233,852	1,000,000
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	514,879	449,456	964,335	535,665	1,500,000
Total	<u>\$ 2,457,767</u>	<u>\$ 2,075,988</u>	<u>\$ 4,533,755</u>	<u>\$ 1,716,245</u>	<u>\$ 6,250,000</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, 2014**

**GENERAL OBLIGATION TAX INCREMENT BONDS  
(ALTERNATIVE REVENUE SOURCE), SERIES 2002A**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	180,000	99,303	279,303
2016	185,000	91,563	276,563
2017	240,000	83,423	323,423
2018	250,000	72,623	322,623
2019	265,000	61,123	326,123
2020	275,000	48,668	323,668
2021	345,000	35,468	380,468
2022	<u>375,000</u>	<u>9,281</u>	<u>384,281</u>
Total	<u>\$ 2,115,000</u>	<u>\$ 501,452</u>	<u>\$ 2,616,452</u>

Original Amount of Issue: \$ 2,750,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 3.05% - 5.50%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

**GENERAL OBLIGATION TAX INCREMENT BONDS  
(ALTERNATIVE REVENUE SOURCE), SERIES 2002B**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	220,000	93,575	313,575
2016	225,000	84,115	309,115
2017	240,000	74,215	314,215
2018	285,000	63,415	348,415
2019	295,000	50,305	345,305
2020	310,000	36,440	346,440
2021	<u>440,000</u>	<u>21,560</u>	<u>461,560</u>
Total	<u>\$ 2,015,000</u>	<u>\$ 423,625</u>	<u>\$ 2,438,625</u>

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

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 4.20% - 9.00%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	40,000	25,010	65,010
2016	50,000	23,370	73,370
2017	65,000	21,320	86,320
2018	70,000	18,655	88,655
2019	75,000	15,645	90,645
2020	85,000	12,420	97,420
2021	90,000	8,510	98,510
2022	<u>95,000</u>	<u>4,370</u>	<u>99,370</u>
Total	<u>\$ 570,000</u>	<u>\$ 129,300</u>	<u>\$ 699,300</u>

Original Amount of Issue: \$ 750,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.35% - 4.60%



**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

**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		
2015	\$ 154,506	\$ 80,369	\$ 234,875	\$ 35,125	\$	270,000
2016	273,691	147,513	421,204	88,796		510,000
2017	277,551	153,365	430,916	119,084		550,000
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	<u>\$ 2,301,680</u>	<u>\$ 1,330,121</u>	<u>\$ 3,631,801</u>	<u>\$ 1,688,199</u>	<u>\$</u>	<u>5,320,000</u>

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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	255,000	159,600	414,600
2016	265,000	146,850	411,850
2017	275,000	133,600	408,600
2018	325,000	119,850	444,850
2019	340,000	103,600	443,600
2020	355,000	87,875	442,875
2021	485,000	71,456	556,456
2022	510,000	49,025	559,025
2023	<u>550,000</u>	<u>12,719</u>	<u>562,719</u>
Total	<u>\$ 3,360,000</u>	<u>\$ 884,575</u>	<u>\$ 4,244,575</u>

Original Amount of Issue: \$ 4,700,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.55% - 5.00%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

**GENERAL OBLIGATION BONDS  
(ALTERNATIVE REVENUE SOURCE), SERIES 2003E**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	185,000	34,744	219,744
2016	195,000	27,344	222,344
2017	210,000	18,813	228,813
2018	<u>220,000</u>	<u>9,625</u>	<u>229,625</u>
Total	<u>\$ 810,000</u>	<u>\$ 90,526</u>	<u>\$ 900,526</u>

Original Amount of Issue: \$ 2,140,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.05% - 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	275,000	222,075	497,075
2016	295,000	203,513	498,513
2017	315,000	183,600	498,600
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>\$ 3,290,000</u>	<u>\$ 1,208,252</u>	<u>\$ 4,498,252</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, 2014**

**GENERAL OBLIGATION BONDS  
SERIES 2006**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	370,000	231,998	601,998
2016	390,000	212,387	602,387
2017	360,000	191,718	551,718
2018	380,000	172,457	552,457
2019	400,000	152,128	552,128
2020	425,000	129,927	554,927
2021	445,000	106,340	551,340
2022	255,000	81,643	336,643
2023	270,000	67,235	337,235
2024	290,000	51,980	341,980
2025	305,000	35,595	340,595
2026	<u>325,000</u>	<u>18,363</u>	<u>343,363</u>
Total	<u>\$ 4,215,000</u>	<u>\$ 1,451,771</u>	<u>\$ 5,666,771</u>

Original Amount of Issue: \$ 6,610,000

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 5.10% - 5.65%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	1,285,000	196,106	1,481,106
2016	1,415,000	163,981	1,578,981
2017	1,450,000	128,606	1,578,606
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>\$ 7,060,000</u>	<u>\$ 613,205</u>	<u>\$ 7,673,205</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, 2014**

**GENERAL OBLIGATION BONDS  
SERIES 2010B**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	1,025,000	154,204	1,179,204
2016	1,065,000	122,429	1,187,429
2017	1,105,000	86,485	1,191,485
2018	<u>1,140,000</u>	<u>45,600</u>	<u>1,185,600</u>
Total	<u>\$ 4,335,000</u>	<u>\$ 408,718</u>	<u>\$ 4,743,718</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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	295,000	192,476	487,476
2016	295,000	178,460	473,460
2017	295,000	164,444	459,444
2018	295,000	150,428	445,428
2019	<u>2,982,500</u>	<u>69,958</u>	<u>3,052,458</u>
Total	<u>\$ 4,162,500</u>	<u>\$ 755,766</u>	<u>\$ 4,918,266</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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	-	165,400	165,400
2016	-	165,400	165,400
2017	-	165,400	165,400
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>\$ 1,375,400</u>	<u>\$ 5,085,400</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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	-	67,600	67,600
2016	-	67,600	67,600
2017	-	67,600	67,600
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>\$ 361,800</u>	<u>\$ 2,051,800</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, 2014**

**GENERAL OBLIGATION BONDS**  
**SERIES 2012**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	520,000	534,250	1,054,250
2016	540,000	510,850	1,050,850
2017	560,000	486,550	1,046,550
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>\$ 13,380,000</u>	<u>\$ 5,621,300</u>	<u>\$ 19,001,300</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, 2014**

**WATER REVENUE BONDS  
SERIES 1998A**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	-	343,110	343,110
2016	-	343,110	343,110
2017	2,650,000	343,110	2,993,110
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>\$ 6,655,000</u>	<u>\$ 1,382,140</u>	<u>\$ 8,037,140</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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	500,570	73,437	574,007
2016	513,796	60,211	574,007
2017	527,372	46,636	574,008
2018	541,307	32,701	574,008
2019	555,609	18,399	574,008
2020	<u>283,286</u>	<u>3,718</u>	<u>287,004</u>
Total	<u>\$ 2,921,940</u>	<u>\$ 235,102</u>	<u>\$ 3,157,042</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, 2014**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	311,371	44,019	355,390
2016	319,315	36,076	355,391
2017	327,461	27,930	355,391
2018	335,815	19,577	355,392
2019	344,381	11,009	355,390
2020	<u>175,471</u>	<u>2,224</u>	<u>177,695</u>
Total	<u>\$ 1,813,814</u>	<u>\$ 140,835</u>	<u>\$ 1,954,649</u>

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

Bonds Due: June 1

Interest Dates: December 1, June 1

Interest Rates: 2.50%