

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**



**Prepared by the Finance Department**

**VILLAGE OF MELROSE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

December 31, 2018

**CONTENTS**

**FINANCIAL SECTION**

Independent Auditor's Report .....	1-2
Management's Discussion and Analysis .....	3-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	12
Statement of Activities .....	13
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	14
Reconciliation of Balance Sheet -Governmental Funds	
to the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	16
Reconciliation of the Statement of Revenues, Expenditures,	
and Changes in Fund Balances to Statement of Activities.....	17
Proprietary Funds	
Statement of Net Position .....	18
Statement of Revenues, Expenses, and Changes in Net Position.....	19
Statement of Cash Flows .....	20
Fiduciary Funds	
Statement of Fiduciary Net Position.....	21
Statement of Changes in Fiduciary Net Position – Pension Trust Funds .....	22
Notes to Financial Statements .....	23-86

**VILLAGE OF MELROSE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

December 31, 2018

**CONTENTS**

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual General Fund .....	87
Schedules of Changes in Village Net Pension Liability and Related Ratios and Employer Contributions Illinois Municipal Retirement Fund.....	88-89
Police Pension Funds .....	90-91
Firefighters' Pension Plan .....	92-93
Schedules of Changes in Village Total Other Post Employment Liability and Related Ratios and Employer Contributions .....	94
Notes to Required Supplementary Information.....	95

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

General Fund

Schedule of Revenues – Budget and Actual .....	96-97
Schedule of Expenditures – Budget and Actual .....	98-104

Non-major Governmental Funds

Combining Balance Sheet.....	105-106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	107-108
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual MFT Fund.....	109
E-911 Fund.....	110

Other Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual Debt Service Fund.....	111
Schedule of Revenues, Expenses and Changes in Net Position-Budget and Actual Water and Sewer Fund.....	112-113

(Continued)

**VILLAGE OF MELROSE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

December 31, 2018

**CONTENTS**

Pension Trust Funds

Combining Statement of Net Position.....	114
Combining Schedule of Changes in Net Position.....	115

Discretely Presented Component Unit

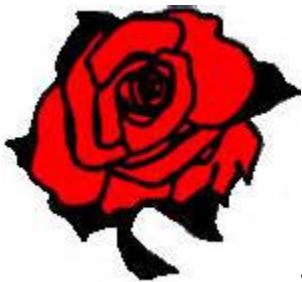
Balance Sheet.....	116
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	117

**OTHER INFORMATION**

Debt Service Requirements.....	118-130
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## **FINANCIAL SECTION**



**VILLAGE OF MELROSE PARK, ILLINOIS**



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Village of Melrose Park, Illinois' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 81.70%, 107.04% and 48.12%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Melrose Park, Illinois, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 6 to the financial statements, the Village of Melrose Park, Illinois implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which resulted in an adjustment to beginning net position.

In addition, the Motor Fuel Tax Fund which was reported as a major fund in the prior year, is now presented as part of the non-major governmental funds in the governmental fund financial statements.

Our opinion is not modified with respect to either of these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in Village net pension liability and related ratios, schedule of changes in Village total other post-employment benefit liability and related ratios, and schedules of employer contributions on pages 3–11 and 87–95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Melrose Park, Illinois' basic financial statements. The combining and individual fund financial statements, and other information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the Village of Melrose Park, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Melrose Park, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Melrose Park, Illinois' internal control over financial reporting and compliance.

*JW & Associates, P.C.*

Hillside, Illinois  
June 28, 2019

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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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, 2018, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$169.1 million (net position) compared to liabilities and deferred inflows of resources exceeding assets and deferred outflows of resources by \$189.7 million (as restated) in the prior year. The restatement was a result of the Village's implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

The increase in net position from the prior year is mostly due to the positive change in pension plan valuations in the governmental activities and the favorable performance in the water fund for business-type activities that led to an increase in net position of \$20.6 million.

The Village's governmental funds reported combined fund balance at December 31, 2018 of \$7.7 million, a decrease of \$1.0 million from the prior year. While the decrease is mainly due to the spending down of accumulated fund balances in tax increment financing funds, another factor was the Village's decision to provide an additional \$5.8 million in funding in excess of property tax receipts remitted to the pension funds. Total funding to the pensions totaled \$9.3 million.

General revenues accounted for \$48.6 million in revenue or 85% of all governmental activity revenues. Program specific revenues accounted for \$8.4 million or 15% of total governmental revenues.

The Village had \$43.2 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, 2018**

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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, 2018**

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

	STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018 (In Millions of Dollars)					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenue:						
Program revenues - charges for services	\$ 7.3	\$ 6.6	\$ 27.1	\$ 27.3	\$ 34.4	\$ 33.9
Operating & capital grants	1.1	5.1	-	-	1.1	5.1
General revenues						
Property tax	22.2	18.8	-	-	22.2	18.8
Other taxes	20.8	18.5	-	-	20.8	18.5
Intergovernmental	4.0	4.0	-	-	4.0	4.0
Other general revenues	2.3	1.5	-	-	2.3	1.5
Total revenue	57.7	54.5	27.1	27.3	84.8	81.8
Expenses:						
General government	6.2	6.1	-	-	6.2	6.1
Public safety	23.3	25.9	-	-	23.3	25.9
Refuse	1.9	1.9	-	-	1.9	1.9
Highway and street	2.5	3.2	-	-	2.5	3.2
Community development	4.9	5.2	-	-	4.9	5.2
Culture and recreation	2.0	1.9	-	-	2.0	1.9
Hispanic liaison center	0.2	0.2	-	-	0.2	0.2
Interest	2.2	2.4	-	-	2.2	2.4
Water	-	-	21.1	20.9	21.1	20.9
Total expense	43.2	46.8	21.1	20.9	64.3	67.7
Change in net assets before transfers and contributions	14.5	7.7	6.0	6.4	20.5	14.1
Transfers	(0.7)	-	0.7	-	-	-
Change in net position	13.8	7.7	6.7	6.4	20.5	14.1
Net position- Beginning, As Restated	(234.5)	(242.2)	44.9	38.5	(189.6)	(203.7)
Net position - Ending	\$ (220.7)	\$ (234.5)	\$ 51.6	\$ 44.9	\$ (169.1)	\$ (189.6)

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

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

STATEMENT OF NET POSITION						
December 31, 2018						
(In Millions of Dollars)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 30.0	\$ 30.2	\$ 41.9	\$ 38.0	\$ 71.9	\$ 68.2
Capital assets	65.6	64.6	35.5	35.6	101.1	100.2
Total assets	95.6	94.8	77.4	73.6	173.0	168.4
Deferred outflows of resources	17.3	14.7	0.6	1.5	17.9	16.2
Long-term liabilities	238.1	248.4	20.6	28.3	258.7	276.7
Other liabilities	6.0	5.7	2.0	1.8	8.0	7.5
Total liabilities	244.1	254.1	22.6	30.1	266.7	284.2
Deferred Inflows of resources	89.5	89.9	3.8	0.1	93.3	90.0
Investment in capital assets net of related debt	51.9	49.3	32.7	29.4	84.6	78.7
Restricted net position	7.5	7.6	4.0	4.6	11.5	12.2
Unrestricted net position	(280.1)	(291.4)	14.9	10.9	(265.2)	(280.5)
Total net position	\$ (220.7)	\$ (234.5)	\$ 51.6	\$ 44.9	\$ (169.1)	\$ (189.6)

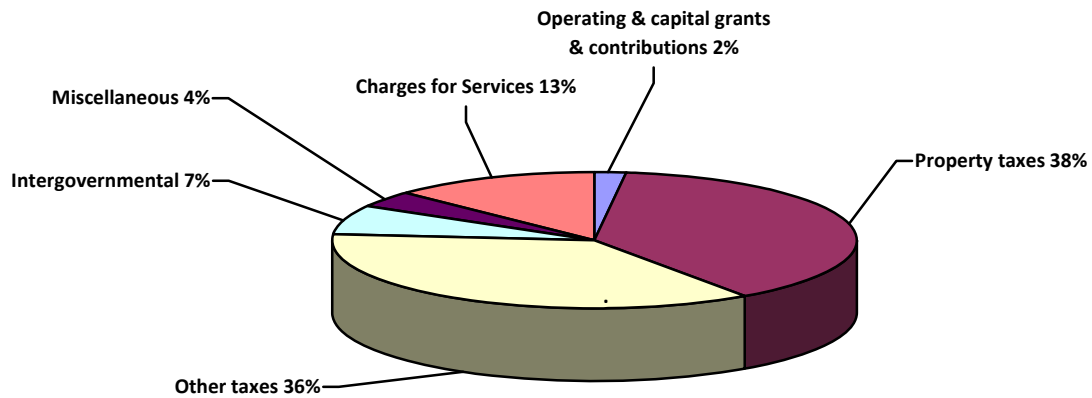
#### Financial Analysis of the Government-Wide Statements

For governmental activities, total revenue increased by \$3.2 million and total expenses decreased by \$3.6 million, respectively, from the prior year. Significant increases for revenues included property taxes increasing by \$3.4 million and sales taxes increasing by \$2.3 million. These increases were offset by decreases in capital grants and contributions by nearly \$3.6 million as State funded road projects from the prior year were not repeated in the current year. Public safety expenditures decreased by nearly \$2.7 million due to the effect of pension actuarial valuations, which decreased expenditures when compared to the prior year. With the increases in revenue and expense, the governmental activities experienced a gain of \$13.8 million.

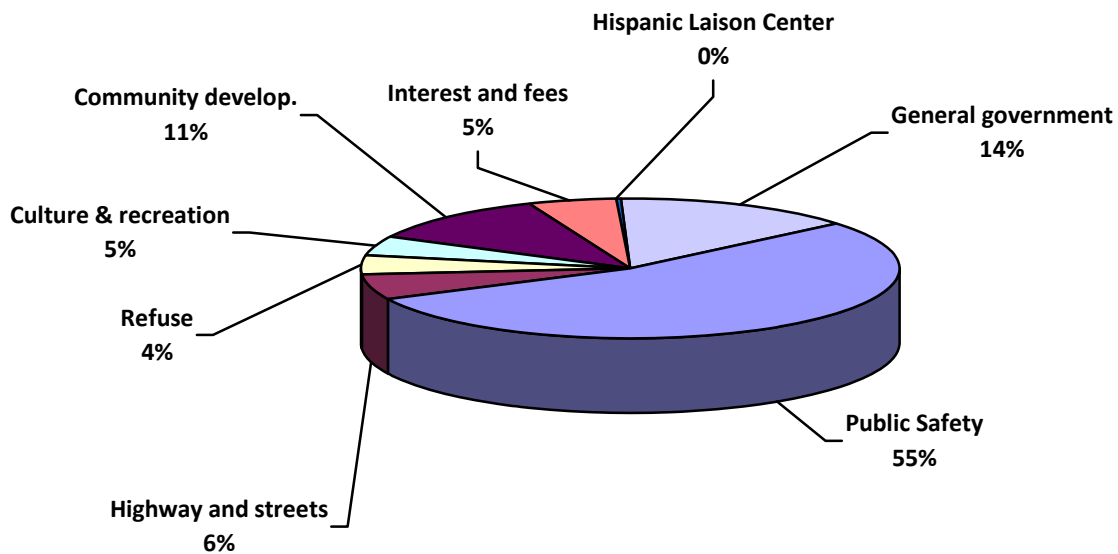
**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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**Governmental Revenues by Source**



**Government Expenses by Function**



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

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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For governmental activities, current and other assets decreased by \$0.2 million from the prior year. The increase in net position from the prior year is mostly due to the effect of public safety actuarial valuations in the current year.

### **Reporting The Village's Most Significant Funds**

#### Fund Financial Statements

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

The Village has three kinds of funds:

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

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

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

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

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

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

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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

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

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

*Notes to the financial statements*

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

*Other information*

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

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 96.

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 \$7.7 million, down \$1.0 million from the prior year total of \$8.7 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 fund balance of the General Corporate Fund decreased \$1.2 million to \$6.4 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 over \$5 million from the prior year with property tax, sales tax, and licenses, permits, and fees being the primary causes of the increase. General fund expenditures are also up approximately \$5 million. An increase in public safety costs were the primary cause of the increase. Additionally, the Village has shown a commitment to funding pensions during the fiscal year by distributing an additional \$5.8 million, combined, to the fire and police pension funds in excess of dedicated property tax collections.

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

Actual revenue exceeded budgeted revenue by \$9.7 million. This was primarily a result of property taxes exceeding budget by about \$4.5 million and sales taxes exceeding budget by about \$4.1 million, and licenses, permits and fees exceeding budget by \$1.8 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 also exceeded budget by \$2.9 million. While general government expenditures were \$3.7 million under budget, public safety expenditures were \$4.1 million over budget and community development added spending in the amount of \$3.3 million in excess of budget.

*Proprietary Funds*

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

*Major Proprietary Funds*

The Water and Sewer Fund is the only proprietary fund of the Village. Net income of the fund was \$6.8 million. Actual revenues of the Water and Sewer Fund exceeded budget by \$3.7 million. Operating expenses were over budget by about \$5.4 million.

*Capital assets*

By the end of 2018, the Village has compiled a total investment of \$145.0 million (\$101.0 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. Capital asset additions totaled \$3.1 million, which was mostly due to the addition of the vehicles (\$497K), various equipment (\$542k), infrastructure (\$1.0 million), and construction in progress (\$1.2 million). Total depreciation expense for the year was \$2.5 million. More detailed information about capital assets can be found in note 3 of the basic financial statements.

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

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
Land	\$ 27.3	\$ 27.3	0.0%	\$ 0.7	\$ 0.7	0.0%	\$ 28.0	\$ 28.0	0.0%
Construction in progress	1.3	0.2	550.0%	-	-	0.0%	1.3	0.2	550.0%
Buildings	13.1	13.5	-3.0%	0.8	0.8	0.0%	13.9	14.3	-2.8%
Improvements other than buildings	3.5	3.5	0.0%	-	-	0.0%	3.5	3.5	0.0%
Vehicles	2.1	2.1	0.0%	0.1	0.2	-50.0%	2.2	2.3	-4.3%
Machinery	1.3	1.5	-13.3%	0.6	0.1	500.0%	1.9	1.6	18.8%
Infrastructure	16.9	16.6	1.8%	33.3	33.7	-1.2%	50.2	50.3	-0.2%
<b>Total</b>	<b>\$ 65.5</b>	<b>\$ 64.7</b>	<b>1.2%</b>	<b>\$ 35.5</b>	<b>\$ 35.5</b>	<b>-0.1%</b>	<b>\$ 101.0</b>	<b>\$ 100.2</b>	<b>0.8%</b>

**VILLAGE OF MELROSE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

*Long-term debt*

At the end of 2017, the Village of Melrose Park had total long-term debt of \$258.7 million. The debt administration discussion covers six main types of debt reported by the Village's financial statements: bonds payable, interest payable on capital appreciation bonds, loans payable, line of credit, capital leases, and net pension liability. Bonds and Loans payable decreased due to the payment of scheduled principal maturities during the year. The other significant changes in long term debt were the large increase in the net pension liability due to anticipated increased future funding and the increase in the net OPEB liability due to implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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		
	2018	2017	Change	2018	2017	Change	2018	2017	Change
Bonds Payable	\$ 36.1	\$ 43.0	-16.0%	\$ 1.4	\$ 4.0	-65.0%	\$ 37.5	\$ 47.0	-20.2%
Loan payable	5.7	5.8	-1.7%	1.4	2.2	-36.4%	7.1	8.0	-11.3%
Net Pension Liability	130.1	123.0	5.8%	0.2	1.6	0.0%	130.3	124.6	4.6%
OPEB	66.2	16.7	296.4%	17.6	4.4	300.0%	83.8	21.1	297.2%
Total	\$ 238.1	\$ 188.5	26.3%	\$ 20.6	\$ 12.2	68.8%	\$ 258.7	\$ 200.7	28.9%

*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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
<b>Assets</b>				
Cash and investments	\$ 43,138,656	\$ 353,118	\$ 43,491,774	\$ -
Receivables (net of allowances for uncollectibles)				
Property taxes	16,167,698	-	16,167,698	945,503
Intergovernmental	4,393,149	-	4,393,149	-
Utility taxes	223,685	-	223,685	-
Water and sewer	-	3,225,490	3,225,490	-
Restricted cash and investments for debt service	-	4,027,361	4,027,361	-
Internal balances	(34,318,428)	34,318,428	-	-
Prepaid expenses	149,639	20,004	169,643	5,518
Due from component unit	246,851	-	246,851	-
Capital assets not being depreciated				
Land	27,250,583	711,826	27,962,409	333,332
Construction in progress	1,330,512	-	1,330,512	36,300
Capital assets net of accumulated depreciation				
Buildings and improvements	16,622,326	785,829	17,408,155	193,114
Vehicles and equipment	3,424,031	702,823	4,126,854	65,590
Infrastructure	16,924,078	33,301,051	50,225,129	-
Total assets	<u>95,552,780</u>	<u>77,445,930</u>	<u>172,998,710</u>	<u>1,579,357</u>
<b>Deferred Outflows of Resources</b>				
Loss on debt refunding	120,771	39,411	160,182	-
Deferred outflows related to pensions	16,674,244	448,052	17,122,296	-
Deferred outflows related to OPEB	545,972	145,131	691,103	-
Total deferred outflows of resources	<u>17,340,987</u>	<u>632,594</u>	<u>17,973,581</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	3,232,633	1,688,925	4,921,558	92,710
Cash overdraft	-	-	-	642,783
Accrued payroll	830,858	-	830,858	-
Customer deposits	-	34,018	34,018	-
Insurance claims payable	1,433,767	198,847	1,632,614	55,150
Payroll liabilities	710	-	710	-
Accrued interest payable	62,582	39,325	101,907	-
Other liabilities	427,578	-	427,578	-
Due to primary government	-	-	-	246,851
Noncurrent liabilities				
Due within one year	9,657,500	899,990	10,557,490	-
Due in more than one year	228,486,932	19,736,493	248,223,425	-
Total liabilities	<u>244,132,560</u>	<u>22,597,598</u>	<u>266,730,158</u>	<u>1,037,494</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	16,157,762	-	16,157,762	925,298
Deferred inflows related to pensions	62,998,835	1,041,046	64,039,881	-
Deferred inflows related to OPEB	10,373,809	2,757,595	13,131,404	-
Total deferred inflows of resources	<u>89,530,406</u>	<u>3,798,641</u>	<u>93,329,047</u>	<u>925,298</u>
<b>Net Position</b>				
Net investment in capital assets	51,878,910	32,707,195	84,586,105	628,336
Restricted for				
Debt service	4,329,062	4,027,361	8,356,423	-
Community development	3,141,609	-	3,141,609	-
Unrestricted	(280,118,780)	14,947,729	(265,171,051)	(1,011,771)
Total net position	<u>\$ (220,769,199)</u>	<u>\$ 51,682,285</u>	<u>\$ (169,086,914)</u>	<u>\$ (383,435)</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 6,183,017	\$ 3,991,256	\$ -	\$ 15,145	\$ (2,176,616)	\$ -	\$ (2,176,616)	\$ -
Public safety	23,347,389	2,815,965	43,255	-	(20,488,169)	-	(20,488,169)	-
Highway and streets	2,491,772	24,682	672,366	389,283	(1,405,441)	-	(1,405,441)	-
Refuse	1,948,533	-	-	-	(1,948,533)	-	(1,948,533)	-
Culture and recreation	2,023,027	433,000	-	-	(1,590,027)	-	(1,590,027)	-
Hispanic liaison center	225,558	-	-	-	(225,558)	-	(225,558)	-
Community development	4,875,835	-	-	-	(4,875,835)	-	(4,875,835)	-
Interest and fees	2,156,793	-	-	-	(2,156,793)	-	(2,156,793)	-
Total government activities	43,251,924	7,264,903	715,621	404,428	(34,866,972)	-	(34,866,972)	-
Business-Type Activities								
Water and sewer	21,052,497	27,170,885	-	-	-	6,118,388	6,118,388	-
Total business-type activities	21,052,497	27,170,885	-	-	-	6,118,388	6,118,388	-
Total primary government	\$ 64,304,421	\$ 34,435,788	\$ 715,621	\$ 404,428	(34,866,972)	6,118,388	(28,748,584)	-
Component Unit - Public Library	\$ 1,047,207	\$ -	\$ 31,764	\$ -				(1,015,443)
General Revenues and Transfers								
Property taxes					22,221,694	-	22,221,694	860,492
Other taxes								
Sales taxes					17,575,167	-	17,575,167	-
Telecommunication taxes					527,847	-	527,847	-
Utility taxes					2,322,098	-	2,322,098	-
Amusement taxes					411,809	-	411,809	-
Intergovernmental								
State income tax					2,433,512	-	2,433,512	-
Gaming revenues					374,331	-	374,331	-
Personal property replacement tax					1,193,239	-	1,193,239	-
Investment income					228,020	24,463	252,483	-
Miscellaneous					2,000,175	-	2,000,175	60,777
Transfers					(661,154)	661,154	-	-
Total general revenues and transfers					48,626,738	685,617	49,312,355	921,269
Change in Net Position					13,759,766	6,804,005	20,563,771	(94,174)
Net Position - Beginning, as restated					(234,528,965)	44,878,280	(189,650,685)	(289,261)
Net Position - Ending					\$ (220,769,199)	\$ 51,682,285	\$ (169,086,914)	\$ (383,435)

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	<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	\$ 30,127,509	\$ 4,327,407	\$ 8,683,740	\$ 43,138,656
Receivables (net of allowances for uncollectibles)				
Property taxes	14,470,331	1,697,367	-	16,167,698
Intergovernmental	4,337,957	-	55,192	4,393,149
Utility taxes	223,685	-	-	223,685
Prepaid Items	149,639	-	-	149,639
Due from component unit	246,851	-	-	246,851
Due from other funds	12,673,264	-	1,500,264	14,173,528
Total assets	<u>\$ 62,229,236</u>	<u>\$ 6,024,774</u>	<u>\$ 10,239,196</u>	<u>\$ 78,493,206</u>
<b>Liabilities</b>				
Accounts payable	\$ 3,213,562	\$ -	\$ 19,071	\$ 3,232,633
Accrued payroll	830,858	-	-	830,858
Payroll liabilities	710	-	-	710
Insurance claims payable	177,663	-	-	177,663
Due to other funds	35,347,152	-	13,144,804	48,491,956
Other liabilities	346,192	-	81,386	427,578
Total liabilities	<u>39,916,137</u>	<u>-</u>	<u>13,245,261</u>	<u>53,161,398</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	<u>15,933,233</u>	<u>1,695,714</u>	<u>-</u>	<u>17,628,947</u>
Total deferred inflows of resources	<u>15,933,233</u>	<u>1,695,714</u>	<u>-</u>	<u>17,628,947</u>
<b>Fund Balances</b>				
Nonspendable	149,639	-	-	149,639
Restricted	-	4,329,060	3,284,372	7,613,432
Unassigned	6,230,227	-	(6,290,437)	(60,210)
Total fund balances	<u>6,379,866</u>	<u>4,329,060</u>	<u>(3,006,065)</u>	<u>7,702,861</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,229,236</u>	<u>\$ 6,024,774</u>	<u>\$ 10,239,196</u>	<u>\$ 78,493,206</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**RECONCILIATION OF BALANCE SHEET- GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

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**Total fund balances - governmental funds** \$ 7,702,861

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	92,150,848	
Depreciation expense to date	(26,599,318)	
		65,551,530

Workers compensation insurance claims that are not expected to be paid within the year are not included in the governmental balance sheet.		(1,256,104)
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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.		1,471,185
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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.		(62,582)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		(46,324,591)
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Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds		(9,827,837)
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Deferred loss on debt refunding is not included in the governmental balance sheet.		120,771
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Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and, accordingly, are not reported in the governmental balance sheet.		(238,144,432)
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<b>Net position of governmental activities</b>		\$ (220,769,199)
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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, 2018**

	<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	\$ 13,482,954	\$ 1,637,206	\$ 7,101,534	\$ 22,221,694
Utility	2,322,098	-	-	2,322,098
Personal property replacement	1,193,239	-	-	1,193,239
Telecommunication	534,261	-	-	534,261
Sales	17,604,046	-	-	17,604,046
State income	2,433,512	-	-	2,433,512
Gaming	374,331	-	-	374,331
Amusement	411,809	-	-	411,809
Licenses, permits and fees	3,105,995	-	-	3,105,995
Fines and forfeitures	2,093,751	-	-	2,093,751
Charges for services	1,091,922	-	973,235	2,065,157
Investment income	73,588	47,753	106,679	228,020
Motor fuel tax	-	-	661,126	661,126
Grants	58,400	-	111,240	169,640
Other revenue	1,761,254	-	651,157	2,412,411
Total revenues	46,541,160	1,684,959	9,604,971	57,831,090
<b>Expenditures</b>				
Current				
General government	5,602,237	-	-	5,602,237
Public safety	29,605,019	-	900,704	30,505,723
Highway and streets	3,260,814	-	872,613	4,133,427
Refuse	1,948,533	-	-	1,948,533
Culture and recreation	1,888,604	-	-	1,888,604
Hispanic liaison center	224,152	-	-	224,152
Community development	3,597,372	-	1,227,803	4,825,175
Debt service				
Principal payments	92,879	3,320,000	3,800,000	7,212,879
Interest and fiscal charges	392,015	775,568	634,467	1,802,050
Total expenditures	46,611,625	4,095,568	7,435,587	58,142,780
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(70,465)	(2,410,609)	2,169,384	(311,690)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,472,138	2,689,497	4,967,013	9,128,648
Transfers out	(2,629,034)	(1,050,202)	(6,110,566)	(9,789,802)
Total other financing sources (uses)	(1,156,896)	1,639,295	(1,143,553)	(661,154)
<b>Net Change in Fund Balances</b>	(1,227,361)	(771,314)	1,025,831	(972,844)
<b>Fund Balances - Beginning of Year</b>	7,607,227	5,100,374	(4,031,896)	8,675,705
<b>Fund Balances - End of Year</b>	\$ 6,379,866	\$ 4,329,060	\$ (3,006,065)	\$ 7,702,861

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, 2018**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (972,844)</b>
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 \$2,605,021 exceeded depreciation of \$1,605,850 in the current period.	999,171
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.	(67,622)
The implicit costs of other post employment benefits which exceed contributions made by the Village are a long-term liability.	(59,836)
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.	(367,897)
Premiums received and deferred charges from prior refundings, do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.	
Amortization of deferred loss on refundings	\$ (91,928)
Amortization of premiums	115,188
Amortization of discounts	(6,277)
	16,983
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.	(135,293)
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	(3,829)
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	7,212,879
The change in net pension liability and pension related deferred inflows and outflows are not recorded in the governmental funds, but it is recorded in the Statement of Activities and affects long-term liabilities in the Statement of Net Position.	7,138,054
<b>Change in net position of governmental activities</b>	<b>\$ 13,759,766</b>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2018**

	<b>Water and Sewer</b>
<b>Assets</b>	
Current assets	
Cash and investments	\$ 353,118
Accounts receivable (net of allowance)	3,225,490
Restricted cash and investments	4,027,361
Prepaid expenses	20,004
Due from other funds	34,318,428
Total current assets	<u>41,944,401</u>
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	711,826
Depreciable buildings, property, and equipment (net of accumulated depreciation)	<u>34,789,703</u>
Total noncurrent assets	<u>35,501,529</u>
Total assets	<u>77,445,930</u>
<b>Deferred Outflows of Resources</b>	
Loss on debt refunding	39,411
Deferred outflows related to pensions	448,052
Deferred outflows related to OPEB	<u>145,131</u>
Total deferred outflows of resources	<u>632,594</u>
Total assets and deferred outflows of resources	<u><u>\$ 78,078,524</u></u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 1,688,925
Customer deposits	34,018
Insurance claims payable	198,847
Accrued interest payable	<u>39,325</u>
Total current liabilities	<u>1,961,115</u>
Noncurrent liabilities	
Due within one year	899,990
Due after one year	<u>19,736,493</u>
Total noncurrent liabilities	<u>20,636,483</u>
Total liabilities	<u>22,597,598</u>
<b>Deferred inflows of Resources</b>	
Deferred inflows related to pensions	1,041,046
Deferred inflows related to OPEB	<u>2,757,595</u>
Total deferred inflows of resources	<u>3,798,641</u>
<b>Net Position</b>	
Net investment in capital assets	32,707,195
Restricted for	
Debt service	4,027,361
Unrestricted	<u>14,947,729</u>
Total net position	<u>51,682,285</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 78,078,524</u></u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Water and Sewer</b>
<b>Operating Revenues</b>	
Charges for services	\$ 27,170,885
<b>Operating Expenses</b>	
Water transmission	14,035,514
Administration	4,941,105
Sewer	944,965
Water and sewer facilities	51,870
Depreciation expense	869,436
Total operating expenses	20,842,890
Operating income (loss)	6,327,995
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	24,463
Amortization of bond costs and fees	(19,706)
Interest expense	(189,901)
Total nonoperating revenues (expenses)	(185,144)
<b>Income (Loss) Before Transfers</b>	6,142,851
<b>Transfers</b>	
Transfers (out)	661,154
Total transfers	661,154
<b>Change in Net Position</b>	6,804,005
<b>Fund Net Position- Beginning of Year</b>	44,878,280
<b>Fund Net Position- End of Year</b>	\$ 51,682,285



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Water and Sewer</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 27,716,785
Payments for interfund services	(3,764,470)
Payments for goods and services	(13,325,761)
Payments to or on behalf of employees	(2,350,114)
Net cash provided (used) by operating activities	<u>8,276,440</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Interfund transfers in	661,154
Interfund borrowing (lending)	(5,092,586)
Net cash provided by financing activities	<u>(4,431,432)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(817,611)
Principal paid on long-term liabilities	(3,407,122)
Interest paid on long-term liabilities	(257,587)
Net cash used by capital and related financing activities	<u>(4,482,320)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	24,463
Net cash provided by (used in) investing activities	<u>24,463</u>
<b>Net Change in Cash and Cash Equivalents</b>	<u>(612,849)</u>
<b>Cash and Cash Equivalents- Beginning of Year</b>	<u>4,993,328</u>
<b>Cash and Cash Equivalents- End of Year</b>	<u>\$ 4,380,479</u>
Cash and investments	353,118
Restricted cash and investments	4,027,361
<b>Total Cash and Cash Equivalents- End of Year</b>	<u>\$ 4,380,479</u>
<b>Reconciliation of Operating Income (Loss) to</b>	
<b>Net Cash Provided (Used) by Operating Activities</b>	
Operating income (loss)	\$ 6,327,995
Adjustments to reconcile operating activities	
to net cash provided (used) by operating activities	
Depreciation	869,436
Decrease (increase) in accounts and unbilled usage receivable	511,882
Decrease (increase) in prepaids	(1,038)
(Decrease) increase in deposits payable	34,018
(Decrease) increase in pension related liabilities and deferrals	261,459
(Decrease) increase in other post employment benefits	15,908
(Decrease) increase in accounts payable, claims payable and other liabilities	256,780
Total adjustments	<u>1,948,445</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 8,276,440</u>

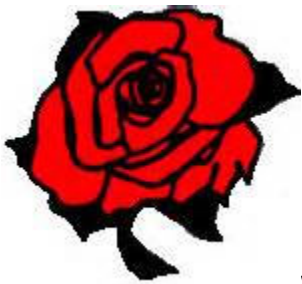
**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

	<b>Pension Trusts</b>	<b>Agency</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,545,844	\$ 35,380
Investments		
U.S. Treasuries	3,429,611	-
U.S. Agencies	3,068,565	-
Corporate bonds	5,194,374	-
State and local government obligations	341,802	
Insurance contracts	9,630,129	-
Equity mutual funds	20,436,508	-
Receivables		
Accrued interest	69,455	-
Prepaid items	6,264	-
Total assets	<u>45,722,552</u>	<u>35,380</u>
<b>Liabilities</b>		
Due to other agencies	-	35,380
Expenses Due/Unpaid	21,452	-
Total liabilities	<u>21,452</u>	<u>35,380</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><u>\$ 45,701,100</u></u>	<u><u>\$ -</u></u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Pension Trusts</b>
<b>Additions</b>	
Contributions	
Employer	\$ 9,308,663
Plan members	1,138,444
Total contributions	<u>10,447,107</u>
Investment Income	
Interest and dividends earned	858,298
Net appreciation in fair value of investments	(2,333,493)
Less investment expenses	(61,843)
Net investment earnings	<u>(1,537,038)</u>
Total additions	<u>8,910,069</u>
<b>Deductions</b>	
Administration	120,048
Benefits	8,355,727
Refunds	45,967
Total deductions	<u>8,521,742</u>
<b>Change in Net Position</b>	<u>388,327</u>
<b>Net Position Held in Trust for Pension Benefits</b>	
Beginning of Year	<u>45,312,773</u>
End of Year	<u><u>\$ 45,701,100</u></u>

## **NOTES TO FINANCIAL STATEMENTS**



**VILLAGE OF MELROSE PARK, ILLINOIS**

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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, 2018

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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, 2018

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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, 2018. 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, 2018

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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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

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

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

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

The 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, 2018

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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).

Ruby Street TIF District	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
Motor Fuel Tax	

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, 2018

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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. 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, 2018

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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, 2018

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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. 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, 2018

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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, 2018

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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. The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3 A for further information.

#### **2. Receivables**

Property taxes for levy year 2018 attach as an enforceable lien on January 1, 2018, 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 2018 tax levy, which attached as an enforceable lien on the property as of January 1, 2018, has been recorded as a receivable as of December 31, 2018.

Tax bills for levy year 2018 are prepared by the county and issued on or about February 1, 2019 and July 1, 2019, and are payable in two installments, on or about March 1, 2019 and August 1, 2019 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2018 property tax levy is recognized as a receivable and unearned revenue in fiscal year 2018, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2018, the property taxes receivable and unearned revenue consisted of the estimated amount collectible from the 2018 levy.

The property tax receivable is shown net of an allowance for uncollectibles. The allowance is equal to 3.00% (\$536,528) of outstanding property taxes at December 31, 2018.

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

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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

#### **3. Restricted Assets**

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

#### **4. Capital Assets**

##### ***Government-Wide Financial Statements***

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

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

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

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

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

***Fund Financial Statements***

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

***5. Deferred Outflows of Resources***

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

***6. Long-Term Obligations***

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

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, 2018

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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. Additionally, the Village reports in the government-wide and proprietary fund statements deferred outflow of resources as related to pensions and OPEB that will be recognized as pension and health care expense in future periods for measurements such as differences between expected and actual experience, changes of assumptions, and net difference between projected and actual earnings on pension plan investments.

#### **9. *Equity Classifications***

##### ***Government-Wide Financial Statements***

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

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

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

##### ***Fund Statements***

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

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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

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

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

See Note 3 G for further information.

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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.

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

#### B. EXCESS EXPENDITURES OVER APPROPRIATIONS

<b>Funds</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Excess Expenditures over Budget</b>
General	\$ 43,721,734	\$ 46,611,625	\$ 2,889,891
Motor Fuel Tax	650,000	872,613	222,613
Debt Service	2,318,355	4,095,568	1,777,213
E-911	700,000	781,349	81,349
Water	15,445,237	20,842,890	5,397,653

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 the General Fund, by interfund borrowing for the E-911 Fund and Motor Fuel Tax, and by a combination of available fund balance and transfers in to the Debt Service Fund.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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, 2018, the following individual fund held a deficit balance:

Fund	Amount	Reason
E-911	\$3,678,340	Expenditures exceeded revenues as planned in the budget, no subsidized interfund transfer approved from General Fund in current year to offset planned deficit spending.
MFT	1,886,382	Expenditures exceeded revenues due to construction projects that were not planned, being paid from MFT funds.
Zenith Opus TIF District	125,232	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.
Senior First TIF District	278,965	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.
25th Ave & North TIF District	321,518	Expenditures exceeded revenues, due to the increased debt service payments belonging to the TIF. Shortfalls are covered by other TIF funds as TIFs are contiguous.

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

The governmental activities had deficit net position of \$220,769,199 as of December 31, 2018. In previous years, the deficit balance was primarily due to outstanding long-term debt that was issued to provide funding for public improvements for the Tax Increment Redevelopment Project Areas (RPA's), net of capital assets of the Village and the operating deficit of the Village as a whole. Certain revenues generated within the RPA's were pledged by the Village to retire the bonds and pay interest on the debt. Since the RPA's bonds are paid from revenues created in the future, this creates a deficit balance which will remain until the outstanding bonds are paid. Additionally, as a result of actuarial valuations

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

prepared in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Village reported increased net pension and other postemployment benefits liability balances for the Police Pension, Firefighters' Pension, and Illinois Municipal Retirement Funds in the current year, which further decreased net position.

### NOTE 3 – DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits with financial institutions	\$ 39,118,576	\$ 39,031,054	Custodial credit risk - deposits
Corporate bonds	5,194,374	5,194,374	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Money market mutual funds	11,980,375	11,980,667	Credit risk
U.S. treasuries and agency obligations	6,498,176	6,498,176	Interest rate risk, Concentration of credit risk, Custodial credit risk - investments, Credit risk
State and local obligations	341,802	341,802	Interest rate risk, Credit risk, Concentration of credit risk, Custodial credit risk - investments
Insurance company contracts	9,630,129	9,630,129	Concentration of credit risk, Custodial credit risk - investments
Equity mutual funds	20,436,508	20,436,508	Custodial credit risk - investments
Petty cash	1,408	-	N/A
Total deposits and investments	<u>\$ 93,201,348</u>	<u>\$ 93,112,710</u>	

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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	\$ 43,491,774
Restricted cash and investments	4,027,361

Per statement of net position-  
fiduciary funds

Agency Fund cash	35,380
Pension Trusts cash	3,545,844
Pension Trusts investments	<u>42,100,989</u>

Total Deposits and Investments	<u>\$ 93,201,348</u>
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At December 31, 2018, Village deposits were fully insured or collateralized, Firefighters' pension deposits were uninsured and uncollateralized for \$1,048,636 and Police pension deposits were uninsured and uncollateralized for \$1,725,063.

#### ***Custodial Credit Risk***

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village. As noted above, the pension funds were exposed to Custodial Credit risk for the year ended 2018.

##### **Investments**

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

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

As of December 31, 2018, the Village did not hold any assets classified as investments. Investments held by the Police Pension and Fire Pension Funds and related maturities are as follows:

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

<b>Police 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>
U.S. Treasuries	\$ 1,062,796	\$ 138,884	\$ 74,963	\$ 216,176	\$ 632,773
U.S. Agencies	1,664,709	-	521,302	263,670	879,737
Corporate Bonds	2,594,800	160,782	950,534	1,331,553	151,931
State and Local Obligations	50,795	-	-	-	50,795
Totals	<u>\$ 5,373,100</u>	<u>\$ 299,666</u>	<u>\$ 1,546,799</u>	<u>\$ 1,811,399</u>	<u>\$ 1,715,236</u>

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2018:

<b>Police Pension Fund</b>		<b>Fair Value Measurements Using</b>		
<b>Investment by Fair Value Level</b>	<b>December 31, 2018</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Debt Securities				
U.S. Treasuries	\$ 1,062,796	\$ 1,062,796	\$ -	\$ -
U.S. Agencies	1,664,709	-	1,664,709	-
Corporate Bonds	2,594,800	-	2,594,800	-
State and Local Obligations	50,795	-	50,795	-
Equity Securities				
Insurance Contracts	9,630,129	9,630,129	-	-
Mutual Funds	7,848,970	7,848,970	-	-
Totals	<u>\$ 22,852,199</u>	<u>\$ 18,541,895</u>	<u>\$ 4,310,304</u>	<u>\$ -</u>

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

## 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	\$ 291,007	\$ 45,000	\$ 30,528	\$ 73,054	\$ 142,425
U.S. Treasuries	2,366,815	212,984	685,761	990,550	477,520
U.S. Agencies	1,403,856	-	27,779	12,330	1,363,747
Corporate Bonds	2,599,574	5,908	1,478,682	766,956	348,028
Totals	<u>\$ 6,661,252</u>	<u>\$ 263,892</u>	<u>\$ 2,222,750</u>	<u>\$ 1,842,890</u>	<u>\$ 2,331,720</u>

The Fire Pension Fund has the following recurring fair value measurements as of December 31, 2018:

<b>Investment by Fair Value Level</b>	<b>December 31, 2018</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Debt Securities				
U.S. Treasuries	\$ 2,366,815	\$ 2,366,815	\$ -	\$ -
U.S. Agencies	1,403,856	-	1,403,856	-
Corporate Bonds	2,599,574	-	2,599,574	-
State and Local Obligations	291,007	-	291,007	-
Equity Securities				
Mutual Funds	12,587,538	12,587,538	-	-
Totals	<u>\$ 19,248,790</u>	<u>\$ 14,954,353</u>	<u>\$ 4,294,437</u>	<u>\$ -</u>

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



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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, 2018, the Village's investments were rated as follows:

Investment Type	Composite Ratings
Money Market Mutual Funds	AAAm

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

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

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corp.	\$15,064	3.50%	December 1, 2025
Federal Home Loan Mortgage Corp.	8,703	4.00%	June 1, 2026
Federal Home Loan Mortgage Corp.	93,665	3.50%	April 1, 2032
Federal Home Loan Mortgage Corp.	2,566	5.00%	October 1, 2039
Federal Home Loan Mortgage Corp.	198,175	4.00%	September 1, 2041
Federal National Mortgage Association	8,491	7.50%	April 1, 2024
Federal National Mortgage Association	120,000	3.32%	April 1, 2028
Federal National Mortgage Association	100,000	3.83%	October 1, 2028
Federal National Mortgage Association	186,476	2.50%	July 1, 2031
Federal National Mortgage Association	1,790	4.50%	September 1, 2033
Federal National Mortgage Association	178,568	3.50%	October 1, 2033
Federal National Mortgage Association	34,830	3.00%	April 1, 2043

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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
Federal Home Loan Mortgage Corp.	\$10,619	6.000%	January 1, 2039
Federal Home Loan Mortgage Corp.	50,897	4.000%	July 1, 2040
Federal Home Loan Mortgage Corp.	70,336	3.500%	April 1, 2042
Federal Home Loan Mortgage Corp.	68,082	3.000%	December 1, 2046
Federal Home Loan Mortgage Corp.	324,189	4.000%	April 1, 2048
Federal National Mortgage Association	11,730	5.000%	April 1, 2025
Federal National Mortgage Association	47,102	2.500%	September 1, 2030
Federal National Mortgage Association	7,627	5.000%	February 1, 2031
Federal National Mortgage Association	31,322	3.000%	April 1, 2032
Federal National Mortgage Association	7,950	4.420%	January 1, 2036
Federal National Mortgage Association	41,931	3.000%	February 1, 2037
Federal National Mortgage Association	9,855	3.901%	April 1, 2037
Federal National Mortgage Association	53,869	5.500%	July 1, 2037
Federal National Mortgage Association	16,797	4.500%	November 1, 2040
Federal National Mortgage Association	43,537	3.000%	April 1, 2043
Federal National Mortgage Association	41,284	3.500%	June 1, 2043
Federal National Mortgage Association	12,159	4.000%	April 1, 2044
Federal National Mortgage Association	67,569	3.000%	July 1, 2045
Federal National Mortgage Association	41,419	2.500%	August 1, 2046
Federal National Mortgage Association	86,689	3.000%	September 1, 2046
Federal National Mortgage Association	67,204	3.000%	November 1, 2046
Federal National Mortgage Association	118,128	2.500%	November 1, 2046
U.S. Department of Housing	38,000	3.350%	August 1, 2029

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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, 2018, the Village's investment portfolio (excluding pensions) did not have any concentrations of holdings in excess of 5%.

At December 31, 2018, the Police Pension Fund has over 5% of plan net position, \$1,247,964, invested in various agency securities as indicated in the table located previously within the investment section and various insurance contracts and mutual funds listed below. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. In accordance with the Pension Fund's investment policy, the Board of Trustees has consciously diversified the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio.

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

Holding	Fair Value
Mass Mutual Insurance Contracts	\$3,526,702 *
American General Insurance Contract	2,121,549 *
VOYA Insurance Contract	1,549,061 *
John Hancock Insurance Contract	1,281,102 *
Commonwealth Annuity Insurance Contract	1,149,465
Jackson National Life Insurance Contract	<u>2,250</u>
Total Insurance Contracts	<u>\$9,630,129</u>
Vanguard Institutional Index Fund	\$6,239,264 *
SPDR S&P 600 Small Cap ETF Fund	846,649
Schwab International Index Fund	340,830
Vanguard REIT ETF Fund	190,076
iShares Edge MSCI ETF Fund	62,828
iShares Edge MSCI Quality Factor ETF Fund	57,647
iShares Edge MSCI Momentum ETF Fund	57,031
iShares Edge MSCI Value ETF Fund	<u>54,645</u>
Total Equity Mutual Funds	<u>\$7,848,970</u>

\*Represents over 5% of Fiduciary Net Position

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

At December 31, 2018, the Firefighters' Pension Fund has over 5% of plan net assets, \$1,037,091 invested in various agency securities as indicated in the table within the investment section and various mutual funds listed below. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. Although not required by the investment policy, the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

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

Holding	Fair Value
Vanguard Total Stock Market Index Fund	\$ 9,499,635 *
Schwab International Index Fund	2,160,940 *
Vanguard REIT ETF Fund	553,926
iShares Edge MSCI ETF Fund	100,608
iShares Edge MSCI Quality Factor ETF Fund	92,726
iShares Edge MSCI Momentum Factor ETF Fund	92,111
iShares Edge MSCI Value ETF Fund	<u>87,592</u>
Total Equity Mutual Funds	<u>\$12,587,538</u>

\*Represents over 5% of Fiduciary Net Position

### ***Interest Rate Risk***

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

**VILLAGE OF MELROSE PARK, ILLINOIS**

Notes to financial statements  
December 31, 2018

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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:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Water and Sewer Fund</b>	<b>Nonmajor and Other Funds</b>
Receivables				
Property taxes	\$ 14,917,611	\$ 1,786,615	\$ -	\$ -
Sales taxes	4,004,400	-	-	-
State income taxes	-	-	-	-
Motor fuel taxes	-	-	-	55,192
Telecommunication taxes	123,654	-	-	-
Replacement taxes	144,564	-	-	-
Utility	223,685	-	-	-
Accounts	-	-	3,225,490	-
Other	65,339	-	-	-
Gross receivables	<u>19,479,253</u>	<u>1,786,615</u>	<u>3,225,490</u>	<u>55,192</u>
Less: Allowance for uncollectibles	<u>(447,280)</u>	<u>(89,248)</u>	<u>-</u>	<u>-</u>
Net total receivables	<u><u>\$ 19,031,973</u></u>	<u><u>\$ 1,697,367</u></u>	<u><u>\$ 3,225,490</u></u>	<u><u>\$ 55,192</u></u>

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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

	<u>Unavailable</u>
Property taxes receivable for subsequent year - General Fund	\$ 14,462,048
Property taxes receivable for subsequent year - Debt Service	1,695,714
Sales/use taxes- General Fund	1,429,246
Telecommunication taxes- General Fund	41,848
Other - General Fund	<u>91</u>
Total unavailable revenue	<u><u>\$ 17,628,947</u></u>

### C. RESTRICTED ASSETS

Following is a list of restricted assets at December 31, 2018:

	<u>Restricted Assets</u>
Water Fund Cash for Debt service	\$ <u>4,027,361</u>
Total Restricted Assets	\$ <u><u>4,027,361</u></u>

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 27,250,583	\$ -	\$ -	\$27,250,583
Construction in Progress	162,575	1,167,937	-	1,330,512
Total Capital Assets Not Being Depreciated	27,413,158	1,167,937	-	28,581,095
Capital Assets Being Depreciated				
Improvements Other than Buildings	4,306,911	46,602	-	4,353,513
Buildings	22,887,299	160,385	-	23,047,684
Machinery and Equipment	4,761,874	59,591	-	4,821,465
Vehicles	6,470,243	496,883	342,715	6,624,411
Infrastructure	24,015,104	707,576	-	24,722,680
Total Capital Assets Being Depreciated	62,441,431	1,471,037	342,715	63,569,753
Less: Accumulated Depreciation for				
Improvements Other than Buildings	785,098	86,504	-	871,602
Buildings	9,449,997	457,272	-	9,907,269
Machinery and Equipment	3,250,119	268,388	-	3,518,507
Vehicles	4,396,608	415,492	308,762	4,503,338
Infrastructure	7,420,408	378,194	-	7,798,602
Total Accumulated Depreciation	25,302,230	1,605,850	308,762	26,599,318
Total Capital Assets Being Depreciated, Net	37,139,201	(134,813)	33,953	36,970,435
Governmental Activities Capital Assets, Net	\$ 64,552,359	\$ 1,033,124	\$ 33,953	\$65,551,530

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

Depreciation expense was charged to functions as follows:

### Governmental Activities

General government	\$ 226,424
Public safety	542,801
Highways and street, including infrastructure	514,518
Community development	170,015
Hispanic Liason Center	1,406
Culture and recreation	150,686
Total Governmental Activities Depreciation Expense	<u>\$ 1,605,850</u>

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 699,347	\$ -	\$ -	\$ 699,347
Land Improvements	12,479	-	-	12,479
Total Capital Assets Not Being Depreciated	711,826	-	-	711,826
Capital Assets Being Depreciated				
Buildings	1,622,017	-	-	1,622,017
Equipment	298,165	482,895	-	781,060
Water system infrastructure	48,766,448	334,716	-	49,101,164
Vehicles	661,861	-	17,053	644,808
Total Capital Assets Being Depreciated	51,348,491	817,611	17,053	52,149,049
Less Accumulated Depreciation for				
Buildings	811,339	24,850	-	836,189
Equipment	154,270	32,072	-	186,342
Water system infrastructure	15,009,076	791,037	-	15,800,113
Vehicles	532,278	21,477	17,053	536,702
Total Accumulated Depreciation	16,506,963	869,436	17,053	17,359,346
Total Capital Assets Being Depreciated, Net	34,841,528	(51,825)	-	34,789,703
Business-Type Capital Assets, Net	<u>\$ 35,553,354</u>	<u>\$ (51,825)</u>	<u>\$ -</u>	<u>\$35,501,529</u>



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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>869,436</u>
Total Business-Type Activities Depreciation Expense	\$ <u>869,436</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	\$ 12,673,264
Other Funds	General	1,028,724
Other Funds	Other Funds	471,540
Water	General	<u>34,318,428</u>
Total - Fund Financial Statements		<u>48,491,956</u>
Less: Fund Eliminations		<u>(14,173,528)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 34,318,428</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, 2018

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

At December 31, 2018, the discretely presented component unit - Library Fund had a payable balance of \$246,851 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	\$ 1,050,202	Excess debt service funds transferred to general fund
	Nonmajor	421,936	From TIF Funds to cover cost of project paid out of the general fund
		<u>1,472,138</u>	
Debt Service	General	1,757,880	From general fund for debt service
	Nonmajor	931,617	From MFT, Zenith Opus TIF, Senior First TIF and Lake Street Corridor TIF for debt service
		<u>2,689,497</u>	
Nonmajor	General	210,000	From general fund to cover expenses
	Nonmajor	4,757,013	Various transfers between contiguous TIFs
		<u>4,967,013</u>	
Water	General	661,154	From general fund to aid in vendor payments
Total - Fund Financial Statements		<u>9,789,802</u>	
Less Fund eliminations		<u>(9,128,648)</u>	
Total Transfers- Government-Wide Statement of Activities		<u>\$ 661,154</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, 2018

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)****F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balances (As Restated)	Increases	Decreases	Ending Balances	Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 21,915,000	\$ -	\$ 3,320,000	\$ 18,595,000	\$ 2,010,000
Tax incremental financing bonds	20,709,834	367,896	3,800,000	17,277,730	7,637,500
Unamortized premium	433,761	-	115,188	318,573	-
Unamortized discount	(55,308)	6,277	-	(49,031)	-
Total bonds and notes payable	43,003,287	374,173	7,235,188	36,142,272	9,647,500
<b>Other Liabilities</b>					
Loans	5,805,644	-	92,879	5,712,765	10,000
Net pension liability - police	51,054,638	5,812,806	-	56,867,444	-
Net pension liability - fire	69,687,880	3,267,983	-	72,955,863	-
Total OPEB liability	76,628,008	-	10,461,932	66,166,076	-
Net pension liability - IMRF	2,218,116	-	1,918,104	300,012	-
Total other liabilities	205,394,286	9,080,789	12,472,915	202,002,160	10,000
Total Governmental Activities Long-Term Liabilities	\$ 248,397,573	\$ 9,454,962	\$ 19,708,103	\$ 238,144,432	\$ 9,657,500

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

	Beginning Balances (As Restated)	Increases	Decreases	Ending Balances	Due Within One Year
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
Revenue bonds	\$ 4,005,000	\$ -	\$ 2,530,000	\$ 1,475,000	\$ -
Total bonds and notes payable	4,005,000	-	2,530,000	1,475,000	-
Other Liabilities					
Net OPEB liability	20,369,470	-	2,781,019	17,588,451	-
Total pension liability	1,566,296	-	1,352,009	214,287	-
Illinois EPA loans	2,235,867	-	877,122	1,358,745	899,990
Total other liabilities	24,171,633	-	5,010,150	19,161,483	899,990
Total Business-Type Activities					
Long-Term Liabilities	\$ 28,176,633	\$ -	\$ 7,540,150	\$ 20,636,483	\$ 899,990

### 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, 2018
2010B	November 2, 2010	December 15, 2018	1.60%- 4.0%	8,070,000	-
2012	April 19, 2012	December 15, 2032	4.0%- 4.5%	14,355,000	11,170,000
2015	April 14, 2015	December 15, 2023	2.0%- 4.0%	8,910,000	4,670,000
2016	September 29, 2016	December 15, 2026	2.0%- 3.2%	3,660,000	2,755,000
Total Governmental Activities- General Obligation Debt					\$ 18,595,000

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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
2019	\$ 2,010,000	\$ 668,792
2020	2,080,000	611,517
2021	2,430,000	546,357
2022	1,865,000	460,362
2023	1,485,000	392,827
2024-2028	4,880,000	1,331,081
2029-2032	3,845,000	392,200
Totals	<u>\$18,595,000</u>	<u>\$ 4,403,136</u>

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

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

The Village has pledged future water revenues, net of specified operating expenses, to repay \$53,965,616 million in revenue bonds and loans issued in 1998 and 1999. Proceeds from the bonds provided financing for the water infrastructure improvements. The bonds and loans are payable solely from water revenues and are payable through 2020. Annual principal and interest payments on the bonds and loans are expected to require \$1,003,148 to \$3,664,710 of net revenues. The total principal and interest remaining to be paid on the bonds and loans at December 31, 2018 was \$2,833,745 and \$182,850, respectively. Principal and interest paid for the current year and total customer net revenues were \$3,664,710 and \$27,170,885, respectively.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

Revenue debt payable at December 31, 2018, 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, 2018</b>
Illinois EPA Wastewater Treatment Loan of 1998	June 1, 1998	June 1, 2020	2.60%	\$ 8,573,768	\$ 838,894
Illinois EPA Wastewater Treatment Loan of 1999	June 1, 1999	June 1, 2020	2.50%	5,241,848	519,851
Revenue Bond Series of 1998A	January 1, 1998	January 1, 2020	4.00%-5.50%	40,150,000	1,475,000
Total Business-Type Activities Revenue Debt					<u>\$ 2,833,745</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, 2018, \$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>
2019	\$ 899,990	\$ 103,158
2020	1,933,755	79,692
Totals	<u>\$ 2,833,745</u>	<u>\$ 182,850</u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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, 2018, 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, 2018</b>
2001A	December 15, 2001	December 15, 2020	4.30%- 5.15%	\$ 2,774,103	\$ 2,763,255
2003C	June 24, 2003	December 15, 2023	4.70%- 5.40%	2,301,680	2,921,975
2004A	April 26, 2004	December 15, 2023	6.75%	4,800,000	2,065,000
2010A	November 2, 2010	December 15, 2019	2.00%- 3.125%	11,455,000	1,145,000
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	<u>2,982,500</u>
Total Governmental Activities- Tax Increment Financing Bonds					<u><u>\$ 17,277,730</u></u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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. After deducting principal payments made through 2018, remaining maturity values are \$3,000,000 and \$3,440,000, respectively.

Debt service requirements to maturity are as follows:

Year	Governmental Activities Tax Increment Financing Bonds	
	Principal	Interest
2019	\$7,637,500	\$478,127
2020	3,345,000	304,288
2021	960,000	245,100
2022	2,755,000	217,425
2023	3,335,000	102,725
Totals	<u>\$18,032,500</u>	<u>\$ 1,347,665</u>

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

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

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

#### ***Loans and Line of Credit***

The Village obtained loans for general government purposes with a carrying value of \$5,536,098 as of December 31, 2018. The loans' maturity date was originally February 2012 but was extended through January 2021. The interest rate on these notes is 7.00%.

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



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

in the amount of \$450,000 was paid in full in fiscal year 2015. The remaining \$220,000 of principal due on the note will be paid as a monthly credit of \$833.33 offsetting rent due to the Village by the seller for the lease of office space within the building over a 264-month period. At December 31, 2018, the balance due was \$176,667.

All loans are expected to be paid from General Fund.

### **G. FUND BALANCES**

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

Governmental fund balances reported on the fund financial statements at December 31, 2018, include the following:

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

#### Nonspendable

Major Fund	
General Fund - Prepaid expense	<u>\$ 149,639</u>
Total Nonspendable	<u>\$ 149,639</u>

#### Restricted

Major Fund	
Debt Service Fund - Restricted for debt service	<u>\$ 4,329,060</u>
	<u>4,329,060</u>
Nonmajor Funds	
Special Revenue Funds	
Mid Metro TIF - Restricted for community development	1,589,687
Ruby Street TIF - Restricted for community development	17,529
Lake Street Corridor TIF - Restricted for community development	1,614,916
Chicago Avenue & Superior TIF - Restricted for community development	<u>62,238</u>
	<u>3,284,370</u>
Debt Service Fund	
2003 MFT Bond - Restricted for debt service	<u>2</u>
Total Restricted	<u>\$ 7,613,432</u>

#### Unassigned

Major Fund	
General Fund	<u>\$ 6,230,227</u>
Total Nonmajor Fund Unassigned	<u>6,230,227</u>
Nonmajor Funds	
Special Revenue Funds	
Motor Fuel Tax	(1,886,382)
25th and North TIF	(321,518)
Zenith Opus TIF	(125,232)
Senior First TIF - Restricted for community development	(278,965)
E-911	<u>(3,678,340)</u>
Total Nonmajor Fund Unassigned	<u>(6,290,437)</u>
Total Unassigned	<u>\$ (60,210)</u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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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	\$ (647,678)	\$ 2,721	Custodial credit
Petty cash	4,895	4,895	N/A
Total deposits and investments	<u>\$ (642,783)</u>	<u>\$ 7,616</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, 2018

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

#### c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 333,332	\$ -	\$ -	\$ 333,332	
Construction in Progress	-	36,300	-	36,300	
Buildings	498,479	76,120	-	574,599	50
Equipment	478,201	18,600	-	496,801	1-10
Less: Accumulated depreciation	<u>(789,168)</u>	<u>(23,528)</u>	<u>-</u>	<u>(812,696)</u>	
Totals	<u>\$ 520,844</u>	<u>\$ 107,492</u>	<u>\$ -</u>	<u>\$ 628,336</u>	

#### d. Interfunds

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

Receivable Fund	Payable Fund	Amount
General	Library	<u>\$ 246,851</u>
Total - Fund Financial Statements		<u>\$ 246,851</u>

- e. Receivables as of year-end for the library are \$945,503 for property taxes, net of \$28,617 allowance for uncollectible accounts.

### NOTE 4 – OTHER INFORMATION

#### A. EMPLOYEES' RETIREMENT SYSTEM

##### *Plan Descriptions*

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at Village Hall. IMRF benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available report that includes financial statements and supplementary information for

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

the plan as a whole, but not for individual employers. The report can be obtained online at [www.imrf.org](http://www.imrf.org).

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended December 31, 2018:

Total Pension Liability	\$ 208,339,156
Plan Fiduciary Net Position	<u>78,001,550</u>
Village's net pension liability	<u><u>130,337,606</u></u>
Deferred Inflows of Resources	\$ 64,039,881
Deferred Outflows of Resources	17,122,296
Pension Expense	3,178,180

### ***Illinois Municipal Retirement Fund (IMRF)***

#### General Information about the Pension Plan

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

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2018 was 11.06% of covered payroll. The employer annual required contribution rate for calendar year 2017 was 10.63%.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2018, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries	117
Inactive, Non-retired Members	41
Active Members	<u>114</u>
Total	272

#### Net Pension Liability

The Village's net pension liability for the IMRF plan was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.50%
Salary Increases:	3.39% to 14.25% including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

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

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

## NOTE 4 – OTHER INFORMATION (continued)

### Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
<b>Balances at December 31, 2016</b>	\$ 32,505,294	\$ 28,720,882	\$ 3,784,412
<b>Changes for the year:</b>			
Service Cost	665,162	-	665,162
Interest on the Total Pension Liability	2,406,470	-	2,406,470
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(180,405)	-	(180,405)
Changes of Assumptions	(1,078,546)	-	(1,078,546)
Contributions - Employer	-	646,584	(646,584)
Contributions - Employees	-	273,720	(273,720)
Net Investment Income	-	5,013,734	(5,013,734)
Benefit Payments, including Refunds of Employee Contributions	(1,503,226)	(1,503,226)	-
Other (Net Transfer)	-	(851,244)	851,244
Net Changes	309,455	3,579,568	(3,270,113)
<b>Balances at December 31, 2017</b>	<u>\$ 32,814,749</u>	<u>\$ 32,300,450</u>	<u>\$ 514,299</u>

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 4,677,592	\$ 514,299	\$ (2,916,833)



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

For the year ended December 31, 2018, the Village recognized pension expense of \$1,364,837 related to IMRF. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,533	\$ 263,545
Changes of assumptions	143,754	845,234
Net difference between projected and actual earnings on pension plan investments	-	1,389,778
Total Deferred Amounts to be recognized in pension expense in future periods	378,287	2,498,557
Pension Contributions made subsequent to the Measurement Date	697,057	-
Total Deferred Amounts Related to Pensions	<u>\$ 1,075,344</u>	<u>\$ 2,498,557</u>

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

Year Ended December 31	
2019	\$ 421,010
2020	(397,301)
2021	(799,414)
2022	(647,508)
Thereafter	-

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

#### *Police Pension Plan*

##### General Information about the Pension Plan

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

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

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the Village's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended December 31, 2018, the Village's contribution was 62.96% of covered payroll.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2018, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	56
Terminated employees entitled to benefits but not yet receiving them	4
Current employees	<u>72</u>
Total	<u>132</u>

### Net Pension Liability

The Village's net pension liability for the Police Pension Plan was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2018 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	6.71%	7.00%
Salary Increases	4.00%-23.94%	4.00%-23.94%
Projected Increase in Payroll	4.00%	4.00%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2018 actuarial valuation are based on the assumption study prepared for Illinois Police 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. The prior valuation was based on the 2016 study prepared by Lauterbach & Amen, LLP.

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

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

Single Discount Rate: A Single Discount Rate of 6.71% was used to measure the total pension liability. Cash flow projections were used to determine the extent to which the Plan's future fiduciary net position will be able to cover future benefit payments. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 4.10% and the resulting single discount rate is 6.71%.

The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.44% to 4.10% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was changed from 7.00% to 6.71%. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

## NOTE 4 – OTHER INFORMATION (continued)

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
<b>Balances at December 31, 2017</b>	\$ 75,515,663	\$ 24,461,025	\$ 51,054,638
<b>Changes for the year:</b>			
Service Cost	1,523,328	-	1,523,328
Interest on the Total Pension Liability	5,158,559	-	5,158,559
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	199,202	-	199,202
Changes of Assumptions	3,073,903	-	3,073,903
Contributions - Employer	-	4,190,868	(4,190,868)
Contributions - Employees	-	634,799	(634,799)
Contributions - Other	-	-	-
Net Investment Income	-	(610,207)	610,207
Benefit Payments, including Refunds of Employee Contributions	(3,643,925)	(3,643,925)	-
Other (Net Transfer)	-	(73,274)	73,274
Net Changes	6,311,067	498,261	5,812,806
<b>Balances at December 31, 2018</b>	<u>\$ 81,826,730</u>	<u>\$ 24,959,286</u>	<u>\$ 56,867,444</u>

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

The following presents the net pension liability related to the police pension plan of the Village calculated using the discount rate of 6.71% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.71%) or one percentage point higher (7.71%) than the current rate:

	1% Decrease (5.71%)	Current Discount Rate (6.71%)	1% Increase (7.71%)
Net Pension Liability	\$ 69,057,985	\$ 56,867,444	\$ 46,999,561

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

For the year ended December 31, 2018, the Village recognized pension expense of \$1,363,392 related to the police pension plan. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 358,809	\$ 4,106,209
Changes of assumptions	6,044,057	25,286,050
Net difference between projected and actual earnings on pension plan investments	<u>2,128,176</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 8,531,042</u>	<u>\$ 29,392,259</u>

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

<u>Year Ended December 31</u>	
2019	\$ (3,005,904)
2020	(3,315,851)
2021	(3,528,731)
2022	(3,639,309)
2023	(4,270,108)
Thereafter	(3,101,314)

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

#### *Firefighters' Pension Plan*

##### General Information about the Pension Plan

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

Tier 1 – Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age of 55, by 3% of the original pension and 3% compounded annually thereafter.

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

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2018, 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, 2018, the Village's contribution was 95.01% of covered payroll.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

At December 31, 2018, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	74
Terminated employees entitled to benefits but not yet receiving them	4
Current employees	<u>58</u>
Total	<u>136</u>

### Net Pension Liability

The Village's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2018 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	7.00%	7.00%
Discount Rate	6.89%	7.00%
Salary Increases	4.00%-23.94%	4.00%-47.45%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2018 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date. The prior valuation was based on the 2016 study prepared by Lauterbach & Amen, LLP.



## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

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

Single Discount Rate: A Single Discount Rate of 6.89% was used to measure the total pension liability. Cash flow projections were used to determine the extent to which the Plan's future fiduciary net position will be able to cover future benefit payments. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 4.10% and the resulting single discount rate is 6.89%. The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.44% to 4.10% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate was changed from 7.00% to 6.89%. The discount rate is impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

# VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

## NOTE 4 – OTHER INFORMATION (continued)

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
<b>Balances at December 31, 2017</b>	\$ 90,539,627	\$ 20,851,747	\$ 69,687,880
<b>Changes for the year:</b>			
Service Cost	1,345,146	-	1,345,146
Interest on the Total Pension Liability	6,171,252	-	6,171,252
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(827,038)	-	(827,038)
Changes of Assumptions	1,226,459	-	1,226,459
Contributions - Employer	-	5,117,795	(5,117,795)
Contributions - Employees	-	503,646	(503,646)
Net Investment Income	-	(926,831)	926,831
Benefit Payments, including Refunds of Employee Contributions	(4,757,769)	(4,757,769)	-
Other (Net Transfer)	-	(46,774)	46,774
Net Changes	3,158,050	(109,933)	3,267,983
<b>Balances at December 31, 2018</b>	<u>\$ 93,697,677</u>	<u>\$ 20,741,814</u>	<u>\$ 72,955,863</u>

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

The following presents the net pension liability related to the firefighters' pension plan of the Village calculated using the discount rate of 6.89% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.89%) or one percentage point higher (7.89%) than the current rate:

	1% Decrease (5.89%)	Current Discount Rate (6.89%)	1% Increase (7.89%)
Net Pension Liability	\$ 85,407,645	\$ 72,955,863	\$ 62,730,160

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

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

For the year ended December 31, 2018, the Village recognized pension expense of \$449,951 related to the firefighters' pension plan. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 210,565	\$ 2,761,506
Changes of assumptions	6,063,814	29,387,559
Net difference between projected and actual earnings on pension plan investments	<u>1,241,531</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 7,515,910</u>	<u>\$ 32,149,065</u>

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

<u>Year Ended December 31</u>	
2019	\$ (5,121,361)
2020	(5,370,942)
2021	(5,966,700)
2022	(6,263,311)
2023	(1,910,841)
Thereafter	-

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

#### ***B. RISK MANAGEMENT***

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

##### ***Self-Insurance***

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

All funds of the Village participate in the risk management program. Costs are allocated by function of participating employees. The below liability includes \$55,150 of the component unit-library, \$198,847 of the business-type activity and \$1,433,767 of the governmental activities.

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

##### ***Claims Liability***

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - Beginning of Year	\$ 1,571,517	\$ 1,408,677
Current year claims and changes in estimates	4,898,924	5,487,196
Claims payments	<u>(4,782,677)</u>	<u>(5,324,356)</u>
Unpaid claims - End of Year	<u>\$ 1,687,764</u>	<u>\$ 1,571,517</u>

#### ***C. COMMITMENTS AND CONTINGENCIES***

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

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

The Village has active construction projects as of December 31, 2018. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

#### ***D. OTHER POSTEMPLOYMENT BENEFITS***

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

#### ***Summary of Significant Accounting Policies***

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

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

#### ***Plan Contribution Information***

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

Retirees and beneficiaries receiving benefits	165
Terminated plan members entitled to but not yet receiving benefits	-
Current employees	<u>263</u>
Total	<u>428</u>
Number of participating employers	1

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. The Village provides 100 percent coverage for health, vision, and dental insurance for all retirees. The monthly cost to the Village ranges from \$622 up to \$2,234 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 \$472 per month.

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

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

#### Actuarial Method and Assumptions

Actuarial Valuation Date	12/31/2018																														
Actuarial Cost Method	Entry Age Normal Level Percentage of Salary																														
Asset Valuation Method	Market Value																														
Assumptions																															
Interest	Discount rate as of December 31, 2017: 3.44%, compounded annually. Discount rate as of December 31, 2018: 4.10%, compounded annually. Rate of return on assets: 4.10%, compounded annually.																														
Projected Salary Increases	2.00%																														
Salary Per Participant	\$ 50,000																														
Mortality	RP-2014 Headcount Mortality projected from 2006 to 2018 with scale MP-2018.																														
Turnover	For police and firefighters, the 2012 Illinois Department of Insurance rates; for IMRF, 80% of the Vaughn ultimate table; 100% of the Vaughn select rates for the first three years of employment (50%, 30%, 20% respectively).																														
Retirement Rates	<table><tr><th>Age</th><th>Police and Fire</th><th>IMRF</th></tr><tr><td>50-54</td><td>20%</td><td>5%</td></tr><tr><td>55-59</td><td>25%</td><td>5%</td></tr><tr><td>60-61</td><td>33%</td><td>10%</td></tr><tr><td>62</td><td>50%</td><td>20%</td></tr><tr><td>63</td><td>50%</td><td>20%</td></tr><tr><td>64-65</td><td>50%</td><td>20%</td></tr><tr><td>66</td><td>50%</td><td>30%</td></tr><tr><td>67-69</td><td>50%</td><td>50%</td></tr><tr><td>70</td><td>100%</td><td>100%</td></tr></table>	Age	Police and Fire	IMRF	50-54	20%	5%	55-59	25%	5%	60-61	33%	10%	62	50%	20%	63	50%	20%	64-65	50%	20%	66	50%	30%	67-69	50%	50%	70	100%	100%
Age	Police and Fire	IMRF																													
50-54	20%	5%																													
55-59	25%	5%																													
60-61	33%	10%																													
62	50%	20%																													
63	50%	20%																													
64-65	50%	20%																													
66	50%	30%																													
67-69	50%	50%																													
70	100%	100%																													
Expense	None																														
Spousal Rate	65% of Active Employees will be married at retirement. Male spouses are assumed to be three years older than female spouses.																														
Health Care Trend Rate	Dental costs are assumed to increasing at 3% per annum. The increase assumptions for medical plans are shown below:																														

Year	PPO and HMO (updated)
2016	4.0%
2017	3.5%
2018	3.0%
2019	3.0%
2020 and after	3.0%

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

Participation Rate	All employees eligible for post-retirement health care benefits will accept them.																																			
Medical Costs	Monthly Claims Costs for the self-funded PPO and self-funded dental plans were determined by Blue Cross/Blue Shield; the HMO is fully insured. No retiree contribution for either (unless hired after 2010). Costs include prescription drug and vision.																																			
Dental Costs		2018	2019																																	
	Single	\$ 30.22	\$ 31.07																																	
	With Spouse	\$ 83.67	\$ 86.01																																	
Aging Factors	<table><tr><th>Age</th><th>Medical Factor</th><th>Dental Factor</th></tr><tr><td>55</td><td>1.4225</td><td>1.099</td></tr><tr><td>56</td><td>1.4865</td><td>1.099</td></tr><tr><td>57</td><td>1.5534</td><td>1.099</td></tr><tr><td>58</td><td>1.6233</td><td>1.099</td></tr><tr><td>59</td><td>1.6963</td><td>1.099</td></tr><tr><td>60</td><td>1.7727</td><td>1.099</td></tr><tr><td>61</td><td>1.8524</td><td>1.099</td></tr><tr><td>62</td><td>1.9358</td><td>1.099</td></tr><tr><td>63</td><td>2.0229</td><td>1.099</td></tr><tr><td>64</td><td>2.1139</td><td>1.099</td></tr></table>			Age	Medical Factor	Dental Factor	55	1.4225	1.099	56	1.4865	1.099	57	1.5534	1.099	58	1.6233	1.099	59	1.6963	1.099	60	1.7727	1.099	61	1.8524	1.099	62	1.9358	1.099	63	2.0229	1.099	64	2.1139	1.099
Age	Medical Factor	Dental Factor																																		
55	1.4225	1.099																																		
56	1.4865	1.099																																		
57	1.5534	1.099																																		
58	1.6233	1.099																																		
59	1.6963	1.099																																		
60	1.7727	1.099																																		
61	1.8524	1.099																																		
62	1.9358	1.099																																		
63	2.0229	1.099																																		
64	2.1139	1.099																																		

#### ***Discount Rate***

The discount rate used to measure the total OPEB liability as of December 31, 2018 was 4.10%, which was a change from the discount rate of 3.44% that was used as of December 31, 2017. Because the plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligations bonds with an average AA credit rating as of the measurement date.



**VILLAGE OF MELROSE PARK, ILLINOIS**

Notes to financial statements  
December 31, 2018

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**NOTE 4 – OTHER INFORMATION (continued)****Changes in Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balances at January 1, 2018, as restated	\$96,997,478
Service cost	3,098,398
Interest on total OPEB liability	3,443,298
Differences between expected and actual experience of the total OPEB liability	(8,459,477)
Change of assumptions	(7,564,307)
Benefit payments, including refunds of employee contributions	(3,760,863)
Net investment income	-
Other (net transfer)	-
	<hr/>
Balances at December 31, 2018	<u><u>\$83,754,527</u></u>

***Sensitivity of the Village's Total OPEB Liability to Changes in the Discount Rate***

The following presents the Village's total OPEB liability, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.10%) or one percentage point higher (5.10%) than the current rate:

	<b>1% Decrease (3.10%)</b>	<b>Current Discount Rate (4.10%)</b>	<b>1% Increase (5.10%)</b>
	<hr/>	<hr/>	<hr/>
Net OPEB Liability	\$ 95,642,551	\$ 83,754,527	\$ 74,046,987

***Sensitivity of the Village's Total OPEB Liability to Changes in the Healthcare Costs Trend Rates***

The following presents the Village's total OPEB liability, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (2.00%) or one percentage point higher (4.00%) than the current rate:

	<b>1% Decrease (2.00%)</b>	<b>Health Care Cost Trend Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
	<hr/>	<hr/>	<hr/>
Net OPEB Liability	\$ 72,798,818	\$ 83,754,527	\$ 97,459,795

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – OTHER INFORMATION (continued)

#### *OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB*

For the year ended December 31, 2018, the Village recognized OPEB expense of \$3,836,608. At December 31, 2018, the Village reported the following deferred outflows of resources and deferred inflows related to OPEB.

	<b>Deferred Outflow</b>	<b>Deferred Inflow</b>
Difference between expected and actual experience	\$ 691,103	\$ (6,932,496)
Changes in assumptions	-	(6,198,909)
Difference Between Expected and Actual Investment Earnings on OPEB Assets	-	-
<b>TOTALS</b>	<b>\$ 691,103</b>	<b>\$ (13,131,405)</b>

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

Year Ended December 31	
2019	(\$2,705,089)
2020	(2,705,089)
2021	(2,705,089)
2022	(2,763,149)
2023	(1,561,886)
<b>TOTALS</b>	<b>(\$12,440,302)</b>

#### **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.

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 5 – TAX REBATES

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

To be eligible for the rebate, the businesses must open locations within the Village's boundaries and submit sales tax information to the Village. The specific terms of the agreements vary, however, in general, they provide for the Village to rebate 0.5-60% of the sales tax generated by the locations within Melrose Park back to the businesses typically on a quarterly basis. Some of the agreements are subject to conditions such as the rebate not being measured until a certain threshold of sales is met. Total tax abatements were \$2,472,951.

The largest abatement provides for annual abatements in excess of \$500,000. One of these agreements calls for a rebate of 50% of all Municipal Sales Taxes that the Village receives from the location in each calendar year during the repayment period (20 years commencing thirty days after the first certificate of occupancy is issued by the Village). Sales tax rebates under this agreement totaled \$1,351,698.

### NOTE 6 – PRIOR PERIOD ADJUSTMENT

During the current year, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the conversion, the Village reported prior period adjustments related to the elimination of net OPEB obligation balances as of the prior year-end and the establishment of total OPEB liability balances. The schedule below details the effects of the prior period adjustments in the government-wide and proprietary fund financial statements:

	Governmental Activities
Net Position as Previously Reported, December 31, 2017	(\$175,319,867)
Elimination of beginning net OPEB obligation balances	16,724,979
Establishment of beginning deferred outflow of resources related to OPEB	693,931
Establishment of beginning net OPEB liability balances	(76,628,008)
Restated Net Position, December 31, 2017	<u>(\$234,528,965)</u>

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to financial statements  
December 31, 2018

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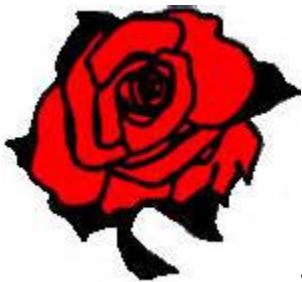
### NOTE 6 – PRIOR PERIOD ADJUSTMENT (Continued)

	Business-Type Activities/ Proprietary Fund
Net Position as Previously Reported, December 31, 2017	\$60,617,406
Elimination of beginning net OPEB obligation balances	4,445,881
Establishment of beginning deferred outflow of resources related to OPEB	184,463
Establishment of beginning net OPEB liability balances	<u>(20,369,470)</u>
Restated Net Position, December 31, 2017	<u>\$44,878,280</u>

### NOTE 7 – SUBSEQUENT EVENTS

On April 8, 2019, the Village passed an ordinance to authorize and approve the transfer of funds from the Village's General Fund to the Village's E-911 Fund to close the E-911 Fund. The transfer will be equal to the ending fund balance amount as of December 31, 2018, which is (\$3,678,340).

## **REQUIRED SUPPLEMENTARY INFORMATION**



**VILLAGE OF MELROSE PARK, ILLINOIS**

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Taxes			
Property	\$ 8,995,000	\$ 13,482,954	\$ 4,487,954
Sales	13,495,976	17,604,046	4,108,070
Utility	2,400,000	2,322,098	(77,902)
Telecommunication	700,000	534,261	(165,739)
Amusement	326,600	411,809	85,209
Intergovernmental	3,730,000	4,059,482	329,482
Licenses, permits and fees	1,306,600	3,105,995	1,799,395
Charges for services	485,400	1,091,922	606,522
Fines and forfeitures	2,040,000	2,093,751	53,751
Investment earnings	40,000	73,588	33,588
Miscellaneous	3,289,000	1,761,254	(1,527,746)
Total revenues	<u>36,808,576</u>	<u>46,541,160</u>	<u>9,732,584</u>
<b>Expenditures</b>			
Current			
General government	9,284,479	5,602,237	3,682,242
Refuse	2,100,000	1,948,533	151,467
Public safety	25,529,984	29,605,019	(4,075,035)
Highway and streets	4,213,538	3,260,814	952,724
Culture and recreation	1,386,902	1,888,604	(501,702)
Hispanic Liaison Center	241,831	224,152	17,679
Community development	300,000	3,597,372	(3,297,372)
Debt service- principal	215,000	92,879	122,121
Debt service- interest and fees	450,000	392,015	57,985
Total expenditures	<u>43,721,734</u>	<u>46,611,625</u>	<u>(2,889,891)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(6,913,158)</u>	<u>(70,465)</u>	<u>6,842,693</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	1,472,138	1,472,138
Transfers (out)	-	(2,629,034)	(2,629,034)
Total other financing sources (uses)	<u>-</u>	<u>(1,156,896)</u>	<u>(1,156,896)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (6,913,158)</u>	<u>(1,227,361)</u>	<u>\$ 5,685,797</u>
<b>Fund Balance - Beginning of Year</b>		<u>7,607,227</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 6,379,866</u>	

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total pension liability</b>										
Service cost	\$ 665,162	\$ 706,700	\$ 720,114	\$ 743,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,406,470	2,264,379	2,159,282	2,007,132	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(180,405)	418,345	(161,828)	(549,303)	-	-	-	-	-	-
Changes of Assumptions	(1,078,546)	(40,032)	38,627	1,019,046	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,503,226)	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	309,455	1,903,838	1,585,976	2,030,562	-	-	-	-	-	-
<b>Total Pension Liability - Beginning</b>	32,505,294	30,601,456	29,015,480	26,984,918	-	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 32,814,749</u>	<u>\$ 32,505,294</u>	<u>\$ 30,601,456</u>	<u>\$ 29,015,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 646,584	\$ 688,710	\$ 732,788	\$ 733,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	273,720	292,138	310,481	286,680	-	-	-	-	-	-
Net Investment Income	5,013,734	1,839,872	137,287	1,588,784	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,503,226)	(1,445,554)	(1,170,219)	(1,190,303)	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	(851,244)	371,559	(557,001)	(28,739)	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ 3,579,568</u>	<u>\$ 1,746,725</u>	<u>\$ (546,664)</u>	<u>\$ 1,390,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	28,720,882	26,974,157	27,520,821	26,130,507	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 32,300,450</u>	<u>\$ 28,720,882</u>	<u>\$ 26,974,157</u>	<u>\$ 27,520,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 514,299</u>	<u>\$ 3,784,412</u>	<u>\$ 3,627,299</u>	<u>\$ 1,494,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	98.43%	88.36%	88.15%	94.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	\$ 6,082,643	\$ 6,268,308	\$ 6,444,927	\$ 6,367,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	8.46%	60.37%	56.28%	23.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE VILLAGE CONTRIBUTIONS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Actuarially Determined Contribution	\$ 697,056	\$ 646,585	\$ 673,843	\$ 732,788	\$ 739,913	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	697,678	646,584	688,710	732,788	733,892	-	-	-	-	-
Contribution Deficiency (Excess)	\$ (622)	\$ 1	\$ (14,867)	\$ -	\$ 6,021	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 6,308,119	\$ 6,082,643	\$ 6,268,308	\$ 6,444,927	\$ 6,367,680	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	11.06%	10.63%	10.99%	11.37%	11.53%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

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



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Total pension liability</b>										
Service cost	\$ 1,523,328	\$ 3,232,572	\$ 3,096,037	\$ 2,914,663	\$ 3,055,174	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	5,158,559	4,547,452	4,533,832	3,937,589	3,729,059	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	199,202	251,300	(6,471,840)	(232,186)	-	-	-	-	-	-
Changes of Assumptions	3,073,903	(33,930,854)	2,460,747	4,046,411	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,643,925)	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>6,311,067</b>	<b>(29,302,739)</b>	<b>402,063</b>	<b>7,483,952</b>	<b>3,834,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>75,515,664</b>	<b>104,818,403</b>	<b>104,416,340</b>	<b>96,932,389</b>	<b>93,098,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 81,826,731</b>	<b>\$ 75,515,664</b>	<b>\$ 104,818,403</b>	<b>\$ 104,416,341</b>	<b>\$ 96,932,389</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 4,190,868	\$ 2,683,691	\$ 2,544,568	\$ 2,344,781	\$ 1,931,506	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	634,799	636,192	616,461	606,618	756,019	-	-	-	-	-
Contributions - other	-	326,485	-	-	-	-	-	-	-	-
Net Investment Income	(610,207)	2,368,533	443,851	(52,183)	1,223,223	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,643,925)	(3,403,209)	(3,216,713)	(3,182,525)	(2,949,846)	-	-	-	-	-
Administrative Expense	(73,274)	(84,912)	(57,193)	(54,130)	(58,112)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 498,261</b>	<b>\$ 2,526,780</b>	<b>\$ 330,974</b>	<b>\$ (337,439)</b>	<b>\$ 902,790</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>24,461,026</b>	<b>21,934,246</b>	<b>21,603,272</b>	<b>21,940,711</b>	<b>21,037,921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 24,959,287</b>	<b>\$ 24,461,026</b>	<b>\$ 21,934,246</b>	<b>\$ 21,603,272</b>	<b>\$ 21,940,711</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 56,867,444</b>	<b>\$ 51,054,638</b>	<b>\$ 82,884,157</b>	<b>\$ 82,813,069</b>	<b>\$ 74,991,678</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>30.50%</b>	<b>32.39%</b>	<b>20.93%</b>	<b>20.69%</b>	<b>22.64%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 6,656,802</b>	<b>\$ 6,791,262</b>	<b>\$ 6,530,060</b>	<b>\$ 6,145,012</b>	<b>\$ 6,101,999</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	<b>854.28%</b>	<b>751.77%</b>	<b>1269.27%</b>	<b>1347.65%</b>	<b>1228.97%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**VILLAGE OF MELROSE PARK, ILLINOIS  
POLICE PENSION FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE VILLAGE CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 4,665,508	\$ 4,205,294	\$ 3,907,689	\$ 3,626,693	\$ 3,370,479	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	4,190,868	2,683,691	2,544,568	2,344,781	1,931,506	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 474,640	\$ 1,521,603	\$ 1,363,121	\$ 1,281,912	\$ 1,438,973	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 6,656,802	\$ 6,791,262	\$ 6,530,060	\$ 6,145,012	\$ 6,101,999	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	62.96%	39.52%	38.97%	38.16%	31.65%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	17 Years
Asset Valuation Method	5-Year Smoothed Market
CPI-U	2.50%
Total Payroll Increases	4.00%
Individual Pay Increases	4.00% - 23.94%
Investment Rate of Return	7.00%
Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	Lauterbach & Amen 2016 Illinois Police Retirement Rates Capped at Age 65
Disability Rates	Lauterbach & Amen 2016 Illinois Police Disability Rates
Termination Rates	Lauterbach & Amen 2016 Illinois Police Termination Rates

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**FIREFIGHTERS' PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total pension liability</b>										
Service cost	\$ 1,345,146	\$ 3,163,009	\$ 3,038,141	\$ 3,214,142	\$ 3,202,801	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,171,252	5,229,386	5,090,989	4,264,327	4,136,830	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	399,421	308,733	(3,356,003)	(827,482)	-	-	-	-	-	-
Changes of Assumptions	-	(43,088,053)	3,079,730	8,906,564	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,757,769)	(4,618,221)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>3,158,050</b>	<b>(39,005,146)</b>	<b>3,499,979</b>	<b>11,501,576</b>	<b>3,444,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>90,539,627</b>	<b>129,544,773</b>	<b>126,044,794</b>	<b>114,543,218</b>	<b>111,098,805</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 93,697,677</b>	<b>\$ 90,539,627</b>	<b>\$ 129,544,773</b>	<b>\$ 126,044,794</b>	<b>\$ 114,543,218</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 5,117,795	\$ 3,267,702	\$ 3,081,599	\$ 2,828,716	\$ 2,310,781	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	503,646	507,441	501,401	496,897	477,120	-	-	-	-	-
Net Investment Income	(926,831)	2,819,467	1,322,812	30,595	1,392,764	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,757,769)	(4,618,220)	(4,352,878)	(4,055,975)	(3,895,218)	-	-	-	-	-
Administrative Expense	(46,774)	(57,981)	(40,577)	(42,370)	(50,625)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (109,933)</b>	<b>\$ 1,918,409</b>	<b>\$ 512,357</b>	<b>\$ (742,137)</b>	<b>\$ 234,822</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>20,851,747</b>	<b>18,933,338</b>	<b>18,420,981</b>	<b>19,163,118</b>	<b>18,928,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 20,741,814</b>	<b>\$ 20,851,747</b>	<b>\$ 18,933,338</b>	<b>\$ 18,420,981</b>	<b>\$ 19,163,118</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 72,955,863</b>	<b>\$ 69,687,880</b>	<b>\$ 110,611,435</b>	<b>\$ 107,623,813</b>	<b>\$ 95,380,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	22.14%	23.03%	14.62%	14.61%	16.73%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	<b>\$ 5,386,420</b>	<b>\$ 5,474,530</b>	<b>\$ 5,289,401</b>	<b>\$ 5,304,117</b>	<b>\$ 5,176,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	1354.44%	1272.95%	2091.19%	2029.06%	1842.70%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF MELROSE PARK, ILLINOIS  
FIREFIGHTERS' PENSION FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE VILLAGE CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 5,213,850	\$ 3,953,554	\$ 4,195,708	\$ 3,862,790	\$ 3,605,419	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	5,117,795	3,267,702	3,081,599	2,828,716	2,310,781	-	-	-	-	-
Contribution Deficiency (Excess)	\$ 96,055	\$ 685,852	\$ 1,114,109	\$ 1,034,074	\$ 1,294,638	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 5,386,420	\$ 5,474,530	\$ 5,289,401	\$ 5,304,117	\$ 5,176,104	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-Employee Payroll	95.01%	59.69%	58.26%	53.33%	44.64%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Payroll Increases	3.50%
Individual Pay Increases	4.00% - 23.94%
Investment Rate of Return	7.00%
Mortality Rates	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate
Retirement Rates	110% of Lauterbach & Amen 2016 Illinois Firefighters Retirement Rates Capped at age 60
Termination Rates	80% of Lauterbach & Amen 2016 Illinois Firefighters Termination Rates
Disability Rates	125% of Lauterbach & Amen 2016 Illinois Firefighters Disability Rates

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN VILLAGE TOTAL OTHER POST-EMPLOYMENT BENEFITS AND RELATED RATIOS AND EMPLOYER CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFITS PLAN**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total OPEB liability</b>										
Service cost	\$ 3,098,398	\$ 2,506,399	\$ 2,568,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,443,298	4,044,150	4,008,339	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(8,459,477)	1,065,685	(1,596,956)	-	-	-	-	-	-	-
Changes of Assumptions	(7,564,307)	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,760,863)	(3,268,819)	(4,075,187)	-	-	-	-	-	-	-
<b>Net Change in Total OPEB Liability</b>	<b>(13,242,951)</b>	<b>4,347,415</b>	<b>904,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total OPEB Liability - Beginning</b>	<b>96,997,478</b>	<b>92,650,063</b>	<b>91,745,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 83,754,527</b>	<b>\$ 96,997,478</b>	<b>\$ 92,650,063</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 3,760,863	\$ 3,268,819	\$ 4,075,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(3,760,863)	(3,268,819)	(4,075,187)	-	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability - Ending (a)-(b)</b>	<b>\$ 83,754,527</b>	<b>\$ 96,997,478</b>	<b>\$ 92,650,063</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered-Employee Payroll</b>	<b>\$ 12,600,000</b>	<b>\$ 12,450,000</b>	<b>\$ 13,450,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability as a Percentage of Covered- Employee Payroll</b>	664.72%	779.10%	688.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Actuarially Determined Contribution	\$ 3,364,035	\$ 6,728,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	3,760,863	3,268,819	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered Employee Payroll	29.85%	26.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## VILLAGE OF MELROSE PARK, ILLINOIS

Notes to required supplementary information  
December 31, 2018

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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.

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

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

### EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the Fiscal Year ended December 31, 2018, 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	\$ 43,721,734	\$ 46,611,625	\$ 2,889,891
Motor Fuel Tax	650,000	872,613	222,613
Debt Service	2,318,355	4,095,568	1,777,213
E-911	700,000	781,349	81,349
Water	15,445,237	20,842,890	5,397,653

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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
<b>Taxes</b>			
Property	\$ 8,995,000	\$ 13,482,954	\$ 11,988,950
Sales	13,495,976	17,604,046	15,243,155
Utility	2,400,000	2,322,098	2,216,126
Telecommunication	700,000	534,261	589,780
Amusement	326,600	411,809	429,402
Total taxes	25,917,576	34,355,168	30,467,413
<b>Intergovernmental</b>			
State income tax	2,500,000	2,433,512	2,333,979
Personal property replacement tax	930,000	1,193,239	1,392,299
Gaming revenue	300,000	374,331	303,027
Miscellaneous grant revenue	-	58,400	111,821
Total intergovernmental	3,730,000	4,059,482	4,141,126
<b>Licenses, Permits, and Fees</b>			
Business licenses	222,500	534,713	521,116
Liquor licenses	30,000	209,282	231,198
Animal licenses	100	290	240
Contractor licenses	100,000	72,535	71,085
Building permit fees	600,000	1,505,570	705,816
Electrical permit fees	22,000	16,797	21,482
Permit fees	6,000	6,390	6,620
Inspection fees	35,000	26,758	29,935
Enforcement fees	125,000	113,900	110,691
Miscellaneous fees	31,000	26,034	30,242
Elevator inspection fees	10,000	17,825	13,730
Reimbursable engineering fees	-	189,245	-
Vehicle license fees	100,000	361,974	206,450
Sidewalk repair fees	25,000	24,682	39,287
Total licenses, permits and fees	1,306,600	3,105,995	1,987,892
<b>Charges for Services</b>			
Copy fees	33,000	39,033	25,209
Ambulance services	100,000	384,579	482,767
Senior fees	60,000	46,175	54,830
Franchise fees	175,000	151,759	171,075
Miscellaneous charges for services	7,400	14,707	14,780
Tower rental fees	60,000	68,844	66,774
Taste of Melrose Park	-	314,708	307,827
Civic center fees	50,000	72,117	77,108
Total charges for services	485,400	1,091,922	1,200,370



**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF REVENUES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Fines and Forfeitures</b>			
Court fines	\$ 25,000	\$ 16,402	\$ 19,205
Violation fines	2,015,000	2,077,349	2,294,939
Total fines and forfeitures	2,040,000	2,093,751	2,314,144
<b>Investment Income</b>			
Interest	40,000	73,588	45,419
Total investment income	40,000	73,588	45,419
<b>Miscellaneous</b>			
Sale of capital assets	-	3,250	182,072
Miscellaneous	3,289,000	1,758,004	1,117,120
Total miscellaneous	3,289,000	1,761,254	1,299,192
Total revenues	\$ 36,808,576	\$ 46,541,160	\$ 41,455,556

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Expenditures</b>			
<b>General Government</b>			
Mayor			
Regular wages	\$ 40,000	\$ 40,000	\$ 45,333
Miscellaneous	300	145	-
Total mayor	<u>40,300</u>	<u>40,145</u>	<u>45,333</u>
Trustees			
Regular wages	123,600	132,100	127,100
Risk management	2,500	-	-
Total trustees	<u>126,100</u>	<u>132,100</u>	<u>127,100</u>
Village Clerk's Office			
Regular wages	40,500	40,500	38,833
Professional services	2,300	2,562	4,458
Repairs and maintenance	-	523	-
Commodities	600	1,148	-
Utilities	-	148	-
Miscellaneous	2,550	4,104	335
Total village clerk's office	<u>45,950</u>	<u>48,985</u>	<u>43,626</u>
Liquor Commission			
Regular wages	20,000	20,000	28,000
Total liquor commission	<u>20,000</u>	<u>20,000</u>	<u>28,000</u>
Village Attorney			
Professional services	264,000	27,577	93,138
Miscellaneous	1,500	905	617
Total village attorney	<u>265,500</u>	<u>28,482</u>	<u>93,755</u>
Village Prosecutor			
Regular wages	109,600	109,600	109,600
Total village prosecutor	<u>109,600</u>	<u>109,600</u>	<u>109,600</u>
Village Treasurer			
Regular wages	4,500	4,500	4,500
Total village treasurer	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>General Government (cont.)</b>			
Finance and Administration			
Regular wages	\$ 717,296	\$ 814,403	\$ 822,089
Benefits	503,000	393,890	435,840
Contractual services	130,000	108,255	130,989
Professional services	607,500	182,047	305,022
Repairs and maintenance	76,250	21,204	27,710
Commodities	245,000	311,353	315,202
Utilities	651,200	1,056,399	621,182
Risk management	1,858,650	957,473	613,470
Miscellaneous	1,053,000	37,130	849,351
Capital outlay	22,500	27,780	15,759
Interdepartmental charge	-	(952,801)	(878,042)
Total finance and administration	<u>5,864,396</u>	<u>2,957,133</u>	<u>3,258,572</u>
Village Hall			
Miscellaneous	<u>8,000</u>	<u>(33,243)</u>	<u>48,829</u>
Total village hall	<u>8,000</u>	<u>(33,243)</u>	<u>48,829</u>
IMRF/Social Security			
Benefits	1,470,000	1,438,102	1,375,000
Interdepartmental charge	<u>-</u>	<u>(387,671)</u>	<u>(407,078)</u>
Total IMRF/social security	<u>1,470,000</u>	<u>1,050,431</u>	<u>967,922</u>
Public Relations			
Contractual services	5,000	-	-
Professional services	5,000	-	-
Commodities	<u>70,000</u>	<u>71,205</u>	<u>79,635</u>
Total public relations	<u>80,000</u>	<u>71,205</u>	<u>79,635</u>
Building Department			
Regular wages	679,633	779,856	662,791
Benefits	403,000	390,348	371,955
Contractual services	3,000	355	-
Professional services	72,000	29,435	49,500
Repairs and maintenance	45,000	17,967	25,497
Commodities	5,500	1,339	4,468
Utilities	18,000	15,323	13,257
Program costs	500	429	-
Miscellaneous	20,000	6,876	6,979
Capital outlay	3,500	9,673	578
Interdepartmental Charge	<u>-</u>	<u>(78,702)</u>	<u>(69,135)</u>
Total building department	<u>1,250,133</u>	<u>1,172,899</u>	<u>1,065,890</u>
Total general government	<u>9,284,479</u>	<u>5,602,237</u>	<u>5,872,762</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Public Safety</b>			
Police department			
Regular wages	\$ 7,320,337	\$ 7,392,429	\$ 7,242,198
Overtime wages	200,500	177,153	222,992
Benefits	2,692,000	2,758,531	2,616,439
Retirement contributions	2,330,867	4,190,868	2,683,692
Contractual services	90,600	104,957	96,968
Professional services	137,000	236,448	216,348
Repairs and maintenance	202,700	152,197	256,440
Commodities	168,000	179,339	143,695
Utilities	220,000	343,114	366,732
Animal control	3,200	6,935	3,419
Miscellaneous	18,850	25,398	44,808
Risk management	100,000	55,617	17,766
Program costs	-	4,116	6,284
Capital outlay	77,000	164,584	238,294
Interdepartmental charge	-	(6,385)	(6,005)
Total police department	<u>13,561,054</u>	<u>15,785,301</u>	<u>14,150,070</u>
Fire department			
Regular wages	5,792,218	5,424,583	5,453,620
Overtime wages	60,000	48,344	54,528
Benefits	1,860,000	1,810,943	1,779,566
Retirement contributions	2,862,436	5,117,795	3,267,702
Professional services	982,450	1,018,395	997,476
Repairs and maintenance	117,000	121,140	260,034
Commodities	6,000	25,937	25,372
Utilities	36,000	28,074	30,886
EMS services	12,000	17,650	17,003
Training and education	7,500	3,459	12,047
Miscellaneous	2,000	104,063	1,387
Annual physicals	15,000	-	-
Capital outlay	14,250	181,257	12,399
Interdepartmental charge	-	(439,103)	(404,736)
Total fire department	<u>11,766,854</u>	<u>13,462,537</u>	<u>11,507,284</u>
Safety and prevention			
Professional services	600	450	445
Repairs and maintenance	3,000	227	227
Commodities	500	68	1,545
Training and education	1,000	-	1,664
Miscellaneous	-	1,251	-
Total safety and prevention	<u>5,100</u>	<u>1,996</u>	<u>3,881</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</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	5,000	2,779	4,024
Professional services	1,500	803	428
Repairs and maintenance	42,200	182,494	25,085
Commodities	11,500	7,986	6,436
Utilities	18,000	14,059	11,371
Miscellaneous	1,800	3,011	2,371
Capital outlay	8,500	1,829	686
Total civil defense	<u>100,900</u>	<u>225,361</u>	<u>62,801</u>
Youth commission			
Regular wages	41,776	32,528	40,426
Board compensation	8,800	10,750	10,880
Professional services	1,000	900	900
Commodities	3,200	3,376	4,413
Utilities	2,000	1,228	1,501
Miscellaneous	4,000	6,485	4,845
Total youth commission	<u>60,776</u>	<u>55,267</u>	<u>62,965</u>
Fire and police commission			
Board compensation	23,200	23,200	23,542
Professional services	2,500	40,182	11,558
Total fire and police commission	<u>25,700</u>	<u>63,382</u>	<u>35,100</u>
Planning commission			
Board compensation	8,400	11,175	13,900
Total planning commission	<u>8,400</u>	<u>11,175</u>	<u>13,900</u>
Senior commission			
Board compensation	1,200	-	1,100
Total senior commission	<u>1,200</u>	<u>-</u>	<u>1,100</u>
Total public safety	<u>25,529,984</u>	<u>29,605,019</u>	<u>25,837,101</u>
<b>Culture and Recreation</b>			
Horticulture			
Professional services	4,000	4,607	29,145
Repairs and maintenance	7,705	7,830	4,163
Commodities	20,000	59,442	48,853
Capital outlay	2,000	19,716	1,239
Total horticulture	<u>33,705</u>	<u>91,595</u>	<u>83,400</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Culture and Recreation (cont.)</b>			
Environmental control			
Professional services	\$ 7,200	\$ 7,200	\$ 6,397
Total environmental control	7,200	7,200	6,397
Health department			
Regular wages	43,687	43,686	43,686
Total health department	43,687	43,686	43,686
Taste of Melrose			
Contractual services	-	7,811	12,511
Professional services	-	145,510	185,847
Repairs and maintenance	-	100,492	60,976
Commodities	-	44,875	27,976
Donations	-	42,675	57,875
Miscellaneous	50,000	5,679	14,398
Total Taste of Melrose	50,000	347,042	359,583
Senior Building			
Professional services	28,000	26,637	25,960
Repairs and maintenance	69,000	44,518	61,700
Commodities	4,500	14,306	2,048
Total senior building	101,500	85,461	89,708
Civic Center			
Regular wages	507,810	510,052	480,082
Overtime wages	20,500	22,395	24,658
Benefits	275,000	328,968	311,603
Contractual services	52,500	54,355	47,272
Professional services	175,500	199,008	203,652
Repairs and maintenance	49,500	111,129	49,791
Commodities	1,500	4,071	935
Utilities	60,000	62,297	58,129
Miscellaneous	8,500	21,345	19,254
Total civic center	1,150,810	1,313,620	1,195,376
Total culture and recreation	1,386,902	1,888,604	1,778,150
<b>Highways and Streets</b>			
Ornamental and street lighting			
Regular wages	300,031	309,313	292,683
Overtime wages	3,000	1,648	1,351
Benefits	150,300	149,140	141,681
Repairs and maintenance	45,500	56,024	25,925

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Highways and Streets (cont.)</b>			
Ornamental and street lighting (cont.)			
Commodities	\$ 13,200	\$ 13,368	\$ 10,369
Utilities	340,500	262,174	248,433
Capital outlay	11,900	111,856	13,090
Total ornamental and street lighting	864,431	903,523	733,532
 Mini-Bus Administrative			
Regular wages	105,481	112,375	102,898
Overtime wages	-	540	-
Benefits	30,000	29,511	27,995
Total mini-bus administrative	135,481	142,426	130,893
 Street and Bridge			
Regular wages	1,140,726	1,200,192	1,146,687
Overtime wages	20,000	51,733	17,719
Benefits	573,000	601,840	571,918
Travel and education	100	-	-
Professional services	1,015,000	1,319,103	749,406
Repairs and maintenance	159,300	570,372	176,322
Commodities	160,000	274,650	171,813
Utilities	5,000	6,699	4,282
Equipment rental	50,000	29,003	41,129
Risk management	10,000	23,620	19,425
Miscellaneous	65,500	17,917	44,726
Capital outlay	15,000	19,545	41,475
Interdepartmental charge	-	(1,899,809)	(1,805,988)
Total street and bridge	3,213,626	2,214,865	1,178,914
 Total highways and street	4,213,538	3,260,814	2,043,339
 <b>Refuse</b>			
Professional services	2,100,000	1,948,533	1,888,952
Total refuse	2,100,000	1,948,533	1,888,952
 <b>Hispanic Liaison Center</b>			
Regular wages	176,331	102,007	145,877
Professional services	45,000	103,421	65,606
Commodities	11,500	8,081	7,324
Repairs and maintenance	9,000	10,643	6,210
Total Hispanic liaison center	241,831	224,152	225,017

**VILLAGE OF MELROSE PARK, ILLINOIS  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Community Development</b>			
Economic incentive	\$ 300,000	\$ 3,597,372	\$ 3,162,570
Total community development	<u>300,000</u>	<u>3,597,372</u>	<u>3,162,570</u>
<b>Debt Service</b>			
Principal	215,000	92,879	411,512
Interest and fees	<u>450,000</u>	<u>392,015</u>	<u>416,224</u>
Total debt service	<u>665,000</u>	<u>484,894</u>	<u>827,736</u>
Total expenditures	<u>\$ 43,721,734</u>	<u>\$ 46,611,625</u>	<u>\$ 41,635,627</u>



VILLAGE OF MELROSE PARK, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	Special Revenue					
	Motor Fuel Tax	E-911	Joyce Brothers TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District
<b>Assets</b>						
Cash and investments	\$ 674,697	\$ 1,688,341	\$ -	\$ 493,452	\$ 557,213	\$ 1,563,190
Receivables (net)						
Intergovernmental	55,192	-	-	-	-	-
Due from other funds	-	-	-	1,121,464	-	321,540
Total assets	<u>\$ 729,889</u>	<u>\$ 1,688,341</u>	<u>\$ -</u>	<u>\$ 1,614,916</u>	<u>\$ 557,213</u>	<u>\$ 1,884,730</u>
<b>Liabilities</b>						
Accounts payable	\$ 19,071	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Due to other funds	2,597,200	5,366,681	-	-	682,445	2,163,695
Total liabilities	<u>2,616,271</u>	<u>5,366,681</u>	<u>-</u>	<u>-</u>	<u>682,445</u>	<u>2,163,695</u>
<b>Fund Balances</b>						
Restricted	-	-	-	1,614,916	-	-
Unassigned	(1,886,382)	(3,678,340)	-	-	(125,232)	(278,965)
Total fund balances	<u>(1,886,382)</u>	<u>(3,678,340)</u>	<u>-</u>	<u>1,614,916</u>	<u>(125,232)</u>	<u>(278,965)</u>
Total liabilities and fund balance	<u>\$ 729,889</u>	<u>\$ 1,688,341</u>	<u>\$ -</u>	<u>\$ 1,614,916</u>	<u>\$ 557,213</u>	<u>\$ 1,884,730</u>

VILLAGE OF MELROSE PARK, ILLINOIS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Mid Metro TIF District	25TH & North Avenue TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
<b>Assets</b>						
Cash and investments	\$ 3,684,316	\$ -	\$ 5,000	\$ 17,529	\$ 2	\$ 8,683,740
Receivables (net)				-		
Intergovernmental	-	-	-	-	-	55,192
Due from other funds	-	22	57,238	-	-	1,500,264
Total assets	<u>\$ 3,684,316</u>	<u>\$ 22</u>	<u>\$ 62,238</u>	<u>\$ 17,529</u>	<u>\$ 2</u>	<u>\$ 10,239,196</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,071
Other liabilities	81,386	-	-	-	-	81,386
Due to other funds	2,013,243	321,540	-	-	-	13,144,804
Total liabilities	<u>2,094,629</u>	<u>321,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,245,261</u>
<b>Fund Balances</b>						
Restricted	1,589,687	-	62,238	17,529	2	3,284,372
Unassigned	-	(321,518)	-	-	-	(6,290,437)
Total fund balances	<u>1,589,687</u>	<u>(321,518)</u>	<u>62,238</u>	<u>17,529</u>	<u>2</u>	<u>(3,006,065)</u>
Total liabilities and fund balance	<u>\$ 3,684,316</u>	<u>\$ 22</u>	<u>\$ 62,238</u>	<u>\$ 17,529</u>	<u>\$ 2</u>	<u>\$ 10,239,196</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue					
	Motor Fuel Tax	E-911	Joyce Brothers TIF District	Lake Street Corridor TIF	Zenith Opus TIF District	Senior First TIF District
<b>Revenues</b>						
Property taxes - general	\$ -	\$ -	\$ -	\$ 332,292	\$ 640,648	\$ 1,253,204
Charges for services	-	311,521	-	-	-	-
Investment income	1,174	-	27	1,512	15,507	20,441
Other revenues	389,283	-	-	-	261,874	-
Grants	111,240	-	-	-	-	-
Motor fuel tax	661,126	-	-	-	-	-
Total revenues	<u>1,162,823</u>	<u>311,521</u>	<u>27</u>	<u>333,804</u>	<u>918,029</u>	<u>1,273,645</u>
<b>Expenditures</b>						
Current						
Public safety	-	781,349	-	-	-	-
Highway and streets	872,613	-	-	-	-	-
Community development	-	-	-	-	4,500	140,905
Debt service						
Principal	-	-	-	-	550,000	340,000
Interest and fees	-	-	-	-	-	234,568
Total expenditures	<u>872,613</u>	<u>781,349</u>	<u>-</u>	<u>-</u>	<u>554,500</u>	<u>715,473</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>290,210</u>	<u>(469,828)</u>	<u>27</u>	<u>333,804</u>	<u>363,529</u>	<u>558,172</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	699,096	-	373,788
Transfers out	(241,696)	-	(90,545)	(775,000)	(414,921)	(160,770)
Total other financing sources (uses)	<u>(241,696)</u>	<u>-</u>	<u>(90,545)</u>	<u>(75,904)</u>	<u>(414,921)</u>	<u>213,018</u>
<b>Net Change in Fund Balances</b>	<u>48,514</u>	<u>(469,828)</u>	<u>(90,518)</u>	<u>257,900</u>	<u>(51,392)</u>	<u>771,190</u>
<b>Fund Balances - Beginning of Year</b>	<u>(1,934,896)</u>	<u>(3,208,512)</u>	<u>90,518</u>	<u>1,357,016</u>	<u>(73,840)</u>	<u>(1,050,155)</u>
<b>Fund Balances - End of Year</b>	<u>\$ (1,886,382)</u>	<u>\$ (3,678,340)</u>	<u>\$ -</u>	<u>\$ 1,614,916</u>	<u>\$ (125,232)</u>	<u>\$ (278,965)</u>

**VILLAGE OF MELROSE PARK, ILLINIOS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Mid Metro TIF District	25TH & North Avenue TIF District	Chicago Ave & Superior TIF	Ruby Street TIF	2003 MFT Bond	
<b>Revenues</b>						
Property taxes - general	\$ 2,069,292	\$ 944,133	\$ 1,395,301	\$ 466,664	\$ -	\$ 7,101,534
Charges for services	661,714	-	-	-	-	973,235
Investment income	66,636	-	1,281	101	-	106,679
Other revenues	-	-	-	-	-	651,157
Grants	-	-	-	-	-	111,240
Motor fuel tax	-	-	-	-	-	661,126
Total revenues	<u>2,797,642</u>	<u>944,133</u>	<u>1,396,582</u>	<u>466,765</u>	<u>-</u>	<u>9,604,971</u>
<b>Expenditures</b>						
Current						
Public safety	-	-	-	119,355	-	900,704
Highway and streets	-	-	-	-	-	872,613
Community development	384,748	-	697,650	-	-	1,227,803
Debt service						
Principal	818,741	2,091,259	-	-	-	3,800,000
Interest and fees	41,160	358,739	-	-	-	634,467
Total expenditures	<u>1,244,649</u>	<u>2,449,998</u>	<u>697,650</u>	<u>119,355</u>	<u>-</u>	<u>7,435,587</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>1,552,993</u>	<u>(1,505,865)</u>	<u>698,932</u>	<u>347,410</u>	<u>-</u>	<u>2,169,384</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,444,132	2,449,997	-	-	-	4,967,013
Transfers out	<u>(2,453,015)</u>	<u>(944,132)</u>	<u>(699,096)</u>	<u>(331,391)</u>	<u>-</u>	<u>(6,110,566)</u>
Total other financing sources (uses)	<u>(1,008,883)</u>	<u>1,505,865</u>	<u>(699,096)</u>	<u>(331,391)</u>	<u>-</u>	<u>(1,143,553)</u>
<b>Net Change in Fund Balances</b>	<u>544,110</u>	<u>-</u>	<u>(164)</u>	<u>16,019</u>	<u>-</u>	<u>1,025,831</u>
<b>Fund Balances - Beginning of Year</b>	<u>1,045,577</u>	<u>(321,518)</u>	<u>62,402</u>	<u>1,510</u>	<u>2</u>	<u>(4,031,896)</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,589,687</u>	<u>\$ (321,518)</u>	<u>\$ 62,238</u>	<u>\$ 17,529</u>	<u>\$ 2</u>	<u>\$ (3,006,065)</u>

**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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Motor fuel tax	\$ 750,000	\$ 661,126	\$ 658,862
Grants	-	111,240	363,059
Interest	500	1,174	1,695
Miscellaneous	-	389,283	3,904,743
Total revenues	<u>750,500</u>	<u>1,162,823</u>	<u>4,928,359</u>
<b>Expenditures</b>			
Highway and streets			
Professional services	400,000	872,613	5,898,249
Debt service	250,000	-	-
Total expenditures	<u>650,000</u>	<u>872,613</u>	<u>5,898,249</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>100,500</u>	<u>290,210</u>	<u>(969,890)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers (out)	(120,000)	(241,696)	(277,593)
Total other financing sources (uses)	<u>(120,000)</u>	<u>(241,696)</u>	<u>(277,593)</u>
<b>Change in Fund Balance</b>	<u>\$ (19,500)</u>	<u>48,514</u>	<u>(1,247,483)</u>
<b>Fund Balance</b>			
Beginning of Year		<u>(1,934,896)</u>	<u>(687,413)</u>
End of Year		<u>\$ (1,886,382)</u>	<u>\$ (1,934,896)</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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
E-911 revenue	\$ 150,000	\$ 311,521	\$ 393,319
Total revenues	<u>150,000</u>	<u>311,521</u>	<u>393,319</u>
<b>Expenditures</b>			
Public safety			
E-911			
Professional services	700,000	781,349	762,355
Total expenditures	<u>700,000</u>	<u>781,349</u>	<u>762,355</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(550,000)</u>	<u>(469,828)</u>	<u>(369,036)</u>
<b>Change in Fund Balance</b>	<u>\$ (550,000)</u>	<u>(469,828)</u>	<u>(369,036)</u>
<b>Fund Balance</b>			
Beginning of Year		<u>(3,208,512)</u>	<u>(2,839,476)</u>
End of Year		<u>\$ (3,678,340)</u>	<u>\$ (3,208,512)</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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenues</b>			
Property taxes - general	\$ 2,015,000	\$ 1,637,206	\$ 1,692,407
Interest	-	47,753	15,577
Total revenues	<u>2,015,000</u>	<u>1,684,959</u>	<u>1,707,984</u>
<b>Expenditures</b>			
Debt service - principal	1,350,000	3,320,000	3,155,000
Debt service - interest and fees	<u>968,355</u>	<u>775,568</u>	<u>868,653</u>
Total expenditures	<u>2,318,355</u>	<u>4,095,568</u>	<u>4,023,653</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(303,355)</u>	<u>(2,410,609)</u>	<u>(2,315,669)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	2,689,497	3,246,252
Transfers out	<u>-</u>	<u>(1,050,202)</u>	<u>(1,046,550)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,639,295</u>	<u>2,199,702</u>
<b>Change in Fund Balance</b>	<u>\$ (303,355)</u>	<u>(771,314)</u>	<u>(115,967)</u>
<b>Fund Balance</b>			
Beginning of Year		<u>5,100,374</u>	<u>5,216,341</u>
End of Year		<u>\$ 4,329,060</u>	<u>\$ 5,100,374</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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>			
Water and sewer sales	\$ 23,355,232	\$ 27,014,435	\$ 27,155,260
Meter sales	75,000	156,450	116,604
Total operating revenues	<u>23,430,232</u>	<u>27,170,885</u>	<u>27,271,864</u>
<b>Operating Expenses</b>			
Cost of sales and services - water			
Regular wages	866,042	912,798	815,943
Overtime wages	30,000	45,120	22,651
Insurance - employee fringe	408,500	445,256	411,125
Professional services	68,000	88,907	56,559
Repairs and maintenance	278,000	174,736	257,201
Purchased water	10,591,122	11,908,303	11,092,821
Utilities	350,000	348,361	340,857
Operating supplies	8,000	6,523	9,832
Mains and hydrants	750,000	103,695	111,679
Miscellaneous	200,750	1,815	445
Machinery and equipment - other	1,500	-	-
Total cost of sales and services - water	<u>13,551,914</u>	<u>14,035,514</u>	<u>13,119,113</u>
Cost of sales and services - sewer			
Regular wages	314,500	281,142	312,051
Overtime wages	10,000	17,929	5,883
Benefits	200,000	211,312	205,146
Professional services	40,500	50,381	66,018
Utilities	-	2,048	-
Repairs and maintenance	156,500	112,290	80,345
Commodities	22,500	8,397	22,482
Miscellaneous	750	261,466	141,548
Non depreciable capital expenditures	1,000	-	-
Total cost of sales and services - sewer	<u>745,750</u>	<u>944,965</u>	<u>833,473</u>
General administration			
Regular wages	243,573	225,230	238,247
Benefits	230,000	242,275	918,343
Interdepartmental charges	-	3,764,470	3,570,983
Professional services	2,500	49,335	337,253
Repairs and maintenance	305,000	343,066	301,949
Operating supplies	18,500	19,309	18,079
Risk management	200,000	264,706	230,174
Miscellaneous	8,000	32,714	27,727
Total general administration	<u>1,007,573</u>	<u>4,941,105</u>	<u>5,642,755</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, 2018**

	<b>2018</b>		<b>2017</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Operating Expenses (cont.)</b>			
Water and sewer facilities			
Repairs and maintenance	\$ 75,000	\$ 28,936	\$ 15,665
Utilities	65,000	22,744	52,270
Miscellaneous	-	190	-
Depreciation	-	869,436	870,971
Total water and sewer facilities	<u>140,000</u>	<u>921,306</u>	<u>938,906</u>
Total operating expenses	<u>15,445,237</u>	<u>20,842,890</u>	<u>20,534,247</u>
<b>Operating Income (Loss)</b>	<u>7,984,995</u>	<u>6,327,995</u>	<u>6,737,617</u>
<b>Non-Operating Revenues (Expenses)</b>			
Investment income	-	24,463	10,157
Interest expense	(841,850)	(189,901)	(346,918)
Amortization of bond cost and fees	-	(19,706)	(19,705)
Total non-operating revenues (expenses)	<u>(841,850)</u>	<u>(185,144)</u>	<u>(356,466)</u>
<b>Net Income Before Transfers</b>	<u>7,143,145</u>	<u>6,142,851</u>	<u>6,381,151</u>
<b>Transfers</b>			
Transfers (out)	-	661,154	7,112
Total transfers	<u>-</u>	<u>661,154</u>	<u>7,112</u>
<b>Change in Net Position</b>	<u>\$ 7,143,145</u>	<u>6,804,005</u>	<u>6,388,263</u>
<b>Net Position</b>			
Beginning of Year (As restated in 2018)		<u>44,878,280</u>	<u>54,229,143</u>
End of Year		<u>\$ 51,682,285</u>	<u>\$ 60,617,406</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION TRUST FUNDS**  
**DECEMBER 31, 2018**

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,087,467	\$ 1,458,377	\$ 3,545,844
Investments			
U.S. Treasuries	1,062,796	2,366,815	3,429,611
U.S. Agencies	1,664,709	1,403,856	3,068,565
Corporate bonds	2,594,800	2,599,574	5,194,374
State and local government obligations	50,795	291,007	341,802
Insurance contracts	9,630,129	-	9,630,129
Equity mutual funds	7,848,970	12,587,538	20,436,508
Receivables (net)			
Accrued interest	30,107	39,348	69,455
Prepaid items	1,397	4,867	6,264
Total assets	<u>24,971,170</u>	<u>20,751,382</u>	<u>45,722,552</u>
<b>Liabilities</b>			
Expenses Due/Unpaid	<u>11,884</u>	<u>9,568</u>	<u>21,452</u>
Total liabilities	<u>11,884</u>	<u>9,568</u>	<u>21,452</u>
<b>Net Position Held in Trust for Pension Benefits</b>	<u><u>\$ 24,959,286</u></u>	<u><u>\$ 20,741,814</u></u>	<u><u>\$ 45,701,100</u></u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**COMBINING SCHEDULE OF CHANGES IN NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Police Pension Fund</b>	<b>Firefighters' Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 4,190,868	\$ 5,117,795	\$ 9,308,663
Plan members	634,798	503,646	1,138,444
Total contributions	<u>4,825,666</u>	<u>5,621,441</u>	<u>10,447,107</u>
Investment Income			
Interest and dividends earned	376,411	481,887	858,298
Net increase (decrease) in fair value	<u>(956,887)</u>	<u>(1,376,606)</u>	<u>(2,333,493)</u>
Total investment income	(580,476)	(894,719)	(1,475,195)
Less investment expense	<u>(29,731)</u>	<u>(32,112)</u>	<u>(61,843)</u>
Net investment earnings	<u>(610,207)</u>	<u>(926,831)</u>	<u>(1,537,038)</u>
Total additions	<u>4,215,459</u>	<u>4,694,610</u>	<u>8,910,069</u>
<b>Deductions</b>			
Administration	73,274	46,774	120,048
Benefits	3,597,958	4,757,769	8,355,727
Refunds	<u>45,967</u>	<u>-</u>	<u>45,967</u>
Total deductions	<u>3,717,199</u>	<u>4,804,543</u>	<u>8,521,742</u>
<b>Change in Net Position</b>	<u>498,260</u>	<u>(109,933)</u>	<u>388,327</u>
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning of Year	<u>24,461,026</u>	<u>20,851,747</u>	<u>45,312,773</u>
End of Year	<u>\$ 24,959,286</u>	<u>\$ 20,741,814</u>	<u>\$ 45,701,100</u>

**VILLAGE OF MELROSE PARK, ILLINOIS**  
**BALANCE SHEET**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**VILLAGE LIBRARY**  
**DECEMBER 31, 2018**

**Assets**

Property tax receivable	\$ 945,503
Prepaid expenses	5,518
Total assets	<u>\$ 951,021</u>

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

Liabilities

Accounts payable	\$ 92,710
Cash overdraft	642,783
Claims payable	55,150
Due to other governments	246,851
Total liabilities	<u>1,037,494</u>

Deferred Inflows of Resources

Unearned revenues	925,298
Total deferred inflows of resources	<u>925,298</u>

Fund balance

Unreserved fund balance	<u>(1,011,771)</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 951,021</u>
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Reconciliation to Statement of Net Position

<b>Total fund balance - governmental fund (from above)</b>	<b>\$ (1,011,771)</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	\$ 1,441,032	
Accumulated depreciation	<u>(812,696)</u>	
Net capital assets		<u>628,336</u>

<b>Net position of component unit</b>	<b>\$ <u>(383,435)</u></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, 2018**

<b>Revenues</b>	
Property tax revenue	\$ 860,492
Grant revenue	31,764
Miscellaneous revenue	60,777
Total revenues	<u>953,033</u>
<b>Expenditures</b>	
Current	
Culture and recreation	1,154,699
Total expenditures	<u>1,154,699</u>
<b>Net Change in Fund Balance</b>	<u>(201,666)</u>
<b>Fund Balance - Beginning of Year</b>	<u>(810,105)</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ (1,011,771)</u></u>
 Reconciliation to Statement of Activities	
<b>Total net change in fund balance - governmental fund (from above)</b>	\$ (201,666)
Amounts reported from the discretely presented component unit in the Statement of Net Position are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense	
Depreciation expense	<u>107,492</u>
<b>Change in net position of component unit</b>	<u><u>\$ (94,174)</u></u>

## **OTHER INFORMATION**



**VILLAGE OF MELROSE PARK, ILLINOIS**

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2018**

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

Fiscal Year	Capital Appreciation Bonds				
	Original Principal	Accretion To Date	Currently Payable	Future Accretion	CAB Total
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>\$ 1,063,776</u>	<u>\$ 923,121</u>	<u>\$ 1,986,897</u>	<u>\$ 1,013,103</u>	<u>\$ 3,000,000</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, 2018**

**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		
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	<u>385,363</u>	<u>237,574</u>	<u>622,937</u>	<u>467,063</u>	<u>1,090,000</u>	
Total	<u>\$ 1,335,438</u>	<u>\$ 801,369</u>	<u>\$ 2,136,807</u>	<u>\$ 1,303,193</u>	<u>\$ 3,440,000</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, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 360,000	\$ 139,388	\$ 499,388
2020	385,000	115,088	500,088
2021	410,000	89,100	499,100
2022	440,000	61,425	501,425
2023	<u>470,000</u>	<u>31,725</u>	<u>501,725</u>
Total	<u>\$ 2,065,000</u>	<u>\$ 436,726</u>	<u>\$ 2,501,726</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, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	<u>\$ 1,145,000</u>	<u>\$ 35,781</u>	<u>\$ 1,180,781</u>
Total	<u><u>\$ 1,145,000</u></u>	<u><u>\$ 35,781</u></u>	<u><u>\$ 1,180,781</u></u>

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

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 3.125%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	<u>\$ 2,982,500</u>	<u>\$ 69,958</u>	<u>\$ 3,052,458</u>
Total	<u><u>\$ 2,982,500</u></u>	<u><u>\$ 69,958</u></u>	<u><u>\$ 3,052,458</u></u>

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

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

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

Interest Rates: 4.75%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 713,800</u>	<u>\$ 4,423,800</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, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 1,095,000	\$ 67,600	\$ 1,162,600
2020	<u>595,000</u>	<u>23,800</u>	<u>618,800</u>
Total	<u><u>\$ 1,690,000</u></u>	<u><u>\$ 91,400</u></u>	<u><u>\$ 1,781,400</u></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, 2018**

**GENERAL OBLIGATION BONDS  
SERIES 2012**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 615,000	\$ 440,550	\$ 1,055,550
2020	640,000	415,950	1,055,950
2021	660,000	390,350	1,050,350
2022	685,000	367,250	1,052,250
2023	710,000	343,275	1,053,275
2024	735,000	318,425	1,053,425
2025	770,000	292,700	1,062,700
2026	805,000	254,200	1,059,200
2027	835,000	222,000	1,057,000
2028	870,000	188,600	1,058,600
2029	905,000	153,800	1,058,800
2030	940,000	117,600	1,057,600
2031	980,000	80,000	1,060,000
2032	<u>1,020,000</u>	<u>40,800</u>	<u>1,060,800</u>
Total	<u>\$ 11,170,000</u>	<u>\$ 3,625,500</u>	<u>\$ 14,795,500</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, 2018**

**GENERAL OBLIGATION BONDS  
SERIES 2015**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 955,000	\$ 157,575	\$ 1,112,575
2020	985,000	133,700	1,118,700
2021	1,305,000	104,150	1,409,150
2022	920,000	51,950	971,950
2023	<u>505,000</u>	<u>15,150</u>	<u>520,150</u>
Total	<u>\$ 4,670,000</u>	<u>\$ 462,525</u>	<u>\$ 5,132,525</u>

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

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 4.00%

**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2018**

**GENERAL OBLIGATION BONDS  
SERIES 2016**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 440,000	\$ 70,667	\$ 510,667
2020	455,000	61,867	516,867
2021	465,000	51,857	516,857
2022	260,000	41,162	301,162
2023	270,000	34,402	304,402
2024	280,000	26,977	306,977
2025	285,000	18,579	303,579
2026	<u>300,000</u>	<u>9,600</u>	<u>309,600</u>
Total	<u><u>\$ 2,755,000</u></u>	<u><u>\$ 315,111</u></u>	<u><u>\$ 3,070,111</u></u>

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

Bonds Due: December 15

Interest Dates: June 15, December 15

Interest Rates: 2.00% - 3.20%



**VILLAGE OF MELROSE PARK, ILLINOIS  
DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2018**

**WATER REVENUE BONDS  
SERIES 1998A**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ -	\$ 73,750.00	\$ 73,750.00
2020	<u>1,475,000</u>	<u>73,750</u>	<u>1,548,750</u>
Total	<u><u>\$ 1,475,000</u></u>	<u><u>\$ 147,500</u></u>	<u><u>\$ 1,622,500</u></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, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 555,609	\$ 18,399	\$ 574,008
2020	<u>283,285</u>	<u>3,718</u>	<u>287,003</u>
Total	<u><u>\$ 838,894</u></u>	<u><u>\$ 22,117</u></u>	<u><u>\$ 861,011</u></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, 2018**

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 344,381	\$ 11,009	\$ 355,390
2020	<u>175,470</u>	<u>2,224</u>	<u>177,694</u>
Total	<u><u>\$ 519,851</u></u>	<u><u>\$ 13,233</u></u>	<u><u>\$ 533,084</u></u>

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

Bonds Due: June 1

Interest Dates: December 1, June 1

Interest Rates: 2.50%