

FINAL OFFICIAL STATEMENT DATED AUGUST 1, 2019

NEW ISSUE
Book-Entry Only

Ratings:
S&P Insured Rating: "AA" (Stable Outlook)
AGM Insured
S&P Underlying Rating: "A+" (Stable Outlook)

Subject to compliance by the Village with certain covenants, in the opinion of Ice Miller LLP, Chicago, Illinois, Bond Counsel ("Bond Counsel"), under present law, interest on the Bonds is not includible in the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

VILLAGE OF MUNDELEIN
Lake County, Illinois
\$32,790,000 General Obligation Bonds, Series 2019

Dated: Date of Delivery

Due: As shown on inside cover

The \$32,790,000 General Obligation Bonds, Series 2019 (the "Bonds") will be issued by the Village of Mundelein, Lake County, Illinois (the "Village") in fully registered form in the denomination of \$5,000 or authorized integral multiples thereof. Interest on the Bonds is payable semi-annually on June 15 and December 15 of each year, commencing June 15, 2020. The Bonds will be issued using a book-entry system. Amalgamated Bank of Chicago, Chicago, Illinois, will act as the bond registrar and paying agent (the "Bond Registrar" and "Paying Agent") for the Bonds. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC, and no physical delivery of Bonds will be made to purchasers. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any authorized integral multiple thereof. The Bonds will bear interest, have yields and mature in the principal amounts on December 15 in each year as shown on the inside cover page.

The proceeds from the sale of the Bonds will be used to (i) pay for the costs of capital projects, including a new public works facility, stormwater drainage improvements, and land acquisition (the "Project"), and (ii) pay for costs of issuance associated with the Bonds. See "**THE BONDS – Authorization and Purpose**" and "**THE BONDS – The Project**" herein.

The Bonds are general obligations of the Village for which its full faith and credit have been irrevocably pledged and are payable from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "**THE BONDS – Security**" herein.

The Bonds due on or after December 15, 2029 are subject to redemption prior to maturity at the option of the Village, as a whole or in part, on any date on or after December 15, 2028 at the redemption price of par plus accrued interest to the redemption date. See "**THE BONDS – Redemption Prior to Maturity**" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM"). See "**BOND INSURANCE**" and **APPENDIX D** herein.



The Bonds are offered when, as, and if issued and received by Bernardi Securities, Inc., Chicago, Illinois (the "Underwriter"), subject to prior sale, withdrawal, or modification of the offer without notice and to the approval of the validity and federal tax exemption of the interest on the Bonds by Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Burke, Warren, MacKay & Serritella, P.C., Chicago, Illinois. Ice Miller LLP, Chicago, Illinois will serve as Disclosure Counsel to the Village. It is expected that beneficial interests in the Bonds will be available for delivery in definitive form through the facilities of DTC in New York, New York on or about August 15, 2019.



This Official Statement is dated August 1, 2019.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement for information essential to the making of an informed investment decision.

MATURITY SCHEDULE, INTEREST RATES, YIELDS, PRICES, AND CUSIPS

\$32,790,000 General Obligation Bonds, Series 2019

<u>Due December 15</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP (626082)⁽¹⁾</u>
2020	\$ 390,000	4.00%	1.28%	103.583% ⁽²⁾	HP9
2021	820,000	4.00%	1.38%	105.994% ⁽²⁾	HQ7
2022	850,000	4.00%	1.48%	108.165% ⁽²⁾	HR5
2023	885,000	4.00%	1.53%	110.316% ⁽²⁾	HS3
2024	920,000	4.00%	1.58%	112.329% ⁽²⁾	HT1
2025	960,000	4.00%	1.70%	113.752% ⁽²⁾	HU8
2026	995,000	4.00%	1.80%	115.048% ⁽²⁾	HV6
2027	1,035,000	4.00%	1.90%	116.112% ⁽²⁾	HW4
2028	1,080,000	4.00%	2.00%	116.948% ⁽²⁾	HX2
2029	1,120,000	4.00%	2.15%	115.566% ⁽²⁾⁽³⁾	HY0
2030	1,165,000	4.00%	2.28%	114.384% ⁽²⁾⁽³⁾	HZ7
2031	1,215,000	4.00%	2.38%	113.484% ⁽²⁾⁽³⁾	JA0
2032	1,260,000	4.00%	2.46%	112.770% ⁽²⁾⁽³⁾	JB8
2033	1,310,000	4.00%	2.50%	112.415% ⁽²⁾⁽³⁾	JC6

4.00% \$5,745,000 Term Bond due December 15, 2039; Yield 2.81%; Price 109.706%⁽²⁾⁽³⁾; CUSIP⁽¹⁾ 626082 JD4

4.00% \$5,935,000 Term Bond due December 15, 2044; Yield 3.02%; Price 107.915%⁽²⁾⁽³⁾; CUSIP⁽¹⁾ 626082 JE2

3.125% \$7,105,000 Term Bond due December 15, 2049; Yield 3.25%; Price 97.597%; CUSIP⁽¹⁾ 626082 JF9

⁽¹⁾CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

⁽²⁾Premium bonds. See “**TAX EXEMPTION**” herein.

⁽³⁾Priced to call.

This Official Statement (the “Official Statement”) should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein, and the subject matter thereof.

No dealer, broker, salesman or other person has been authorized by the Village or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing or by the Village. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Village and by DTC and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date as of which information is given in this Official Statement.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the Village’s beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or expected.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE MADE RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITER MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS. PRICES OF THE BONDS AS TRADED IN THE SECONDARY MARKET ARE SUBJECT TO ADJUSTMENT UPWARD AND DOWNWARD IN RESPONSE TO CHANGES IN THE CREDIT MARKETS AND OTHER PREVAILING CIRCUMSTANCES. NO GUARANTEE EXISTS AS TO THE FUTURE MARKET VALUE OF THE BONDS. SUCH MARKET VALUE COULD BE SUBSTANTIALLY DIFFERENT FROM THE ORIGINAL PURCHASE PRICE.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934, as amended, the Village will enter into a Continuing Disclosure Undertaking. For a description of the Continuing Disclosure Undertaking, see “**CONTINUING DISCLOSURE**” and “**THE UNDERTAKING**” herein.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified to their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM, supplied by AGM, and presented under the heading “**BOND INSURANCE**” and “**APPENDIX D – Specimen Municipal Bond Insurance Policy**”.

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement which should be reviewed in its entirety by potential investors.

Issuer:	Village of Mundelein, Illinois (the “Village”).
Issue:	\$32,790,000 General Obligation Bonds, Series 2019 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	Semi-annually, each June 15 and December 15, commencing June 15, 2020.
Principal Due:	As shown on the inside cover.
Optional Redemption:	The Bonds due on or after December 15, 2029 are subject to redemption prior to maturity at the option of the Village, as a whole or in part, on any date on or after December 15, 2028 at the redemption price of par plus accrued interest to the redemption date. See “ THE BONDS – Redemption to Maturity ” herein.
Purpose:	The proceeds from the sale of the Bonds will be used to (i) pay for the costs of capital projects, including a new public works facility, stormwater drainage improvements, and land acquisition (the “Project”), and (ii) pay for costs of issuance associated with the Bonds. See “ THE BONDS – Authorization and Purpose ” and “ THE BONDS – The Project ” herein.
Security:	The Bonds are general obligations of the Village for which its full faith and credit have been irrevocably pledged and are payable from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “ THE BONDS – Security ” herein.
Bond Insurance:	Assured Guaranty Municipal Corp. (“AGM”) has made a commitment to issue a municipal bond insurance policy relating to the Bonds (the “Policy”). See “ BOND INSURANCE ” and APPENDIX D herein.
Bond Rating:	S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), is expected to assign its credit rating of “AA” (Stable Outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, the Policy will be issued by AGM. S&P has assigned its credit rating of “A+” (Stable Outlook) to the Bonds. See “ BOND RATING ” herein.
Tax Exemption:	Ice Miller LLP, Chicago, Illinois will provide an opinion as to the validity of and federal tax exemption of the interest on the Bonds, as discussed under “ TAX EXEMPTION ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Non-Bank Qualification:	The Bonds are not “qualified tax-exempt obligations.”
Bond Registrar/Paying Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Underwriter:	Bernardi Securities, Inc., Chicago, Illinois.

Statement of Long-Term Indebtedness
(as of Date of Delivery)

			Percent of	
	Amount	Per Capita	Equalized	Estimated
	<u>Applicable</u>	(Pop. <u>31,234⁽²⁾</u>)	<u>Assessed</u> <u>Valuation</u>	<u>True Value</u>
Equalized Assessed Valuation, 2018 ⁽¹⁾	\$ 874,027,373	\$27,983	100.00%	33.33%
Estimated True Value, 2018	2,622,082,119	83,950	300.00%	100.00%
Total General Obligation Debt	41,180,000	1,318	4.71%	1.57%
Total Overlapping Bonded Debt	<u>38,889,585</u>	<u>1,245</u>	<u>4.45%</u>	<u>1.48%</u>
Total Outstanding Net Direct & Overlapping Debt	\$ 80,069,585	\$ 2,564	9.16%	3.05%

⁽¹⁾Equalized assessed valuation excludes tax increment financing incremental value and exemptions. This is the value upon which property taxes are extended for all taxable property in the Village.

⁽²⁾U.S. Census Bureau, July 1, 2018 population estimates.

Source: Lake County Clerk's Office.

**VILLAGE OF MUNDELEIN
LAKE COUNTY, ILLINOIS**

OFFICERS AND OFFICIALS

Mayor

Steve Lentz

Village Administrator

John A. Lobaito

Village Clerk

Sol C. Cabachuela

Village Trustees

Dawn Abernathy

Kara Lambert

Robin Meier

Kerston Russell

Erich Schwenk

Ray Semple

DEPARTMENT HEADS

Finance Director/Treasurer

Doug Haywood

Building Director

Pete Schubkegel

Information Technology Director

Carmen Pedraza

Community Development Director

Amanda Orenchuk

Public Works and Engineering Director

Adam Boeche

Police Chief

Eric Guenther

Fire Chief

Bill Lark

**300 Plaza Circle
Mundelein, IL 60060
(847) 949-3200**

PROFESSIONAL SERVICES

Auditor:

BKD, Oakbrook Terrace, Illinois

Bond and Disclosure Counsel:

Ice Miller LLP, Chicago, Illinois

Underwriter's Counsel:

Burke, Warren, MacKay & Serritella, P.C., Chicago, Illinois

Underwriter:

Bernardi Securities, Inc., Chicago, Illinois

Bond Registrar and Paying Agent:

Amalgamated Bank of Chicago, Chicago, Illinois

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OFFICIAL STATEMENT
Relating to
VILLAGE OF MUNDELEIN
Lake County, Illinois

\$32,790,000 General Obligation Bonds, Series 2019

INTRODUCTION

This Official Statement, including the cover page hereof and the appendices hereto, is provided by the Village of Mundelein, Lake County, Illinois (the "Village") to furnish information in connection with its issuance of \$32,790,000 General Obligation Bonds, Series 2019 (the "Bonds").

Brief descriptions of the Bonds and the Village are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the bond ordinance adopted by the Board of Trustees of the Village (the "Village Board" or "Corporate Authorities") on July 22, 2019, and a bond order for the Bonds (the "Bond Order") executed by the Village President, who is also referred to as the Mayor (together, the "Ordinance"), and any other documents are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance.

THE BONDS

Authorization and Purpose

The Bonds are being issued pursuant to the Village's power and authority as a home-rule unit under the Illinois Constitution, supplementing applicable sections of the Illinois Municipal Code (65 ILCS 5/1-1-1 et seq.) (the "Municipal Code"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) (the "Debt Reform Act") (collectively, the "Act"), and the Ordinance.

The proceeds from the sale of the Bonds will be used to (i) pay for the costs of capital projects, including a new public works facility, stormwater drainage improvements, and land acquisition (the "Project"), and (ii) pay for costs of issuance associated with the Bonds. See "**THE BONDS – The Project**" herein.

Payment of Bonds

Amalgamated Bank of Chicago, Chicago, Illinois will act as the bond registrar and paying agent for the Bonds (the "Bond Registrar" and "Paying Agent"). The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such Bonds as they respectively become due at the designated payment office of the Paying Agent. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Interest on the Bonds shall be payable to the registered owners of record appearing on the registration books maintained by the Bond Registrar on behalf of the Village for such purpose as of the close of business on the 15th day (whether or not a business day) of the calendar month next preceding the applicable interest payment date. The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the 15th day of the calendar month next preceding the interest payment date for such Bond and ending on such interest payment date, or during the period of 15 days next preceding mailing of a notice of redemption of any Bonds.

Security

In the opinion of Ice Miller LLP, Chicago, Illinois ("Bond Counsel"), the Bonds are payable from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the "Levied Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Project

A portion of the Bond proceeds will pay for the costs of the Project. The Village has purchased land upon which to build the new public works facility, and other parcels in the Village for open space. The public works facility will be over 100,000 square feet. The stormwater drainage project consists of the Western Slope area downtown. The land for the public works facility covers 21 acres.

Redemption Prior to Maturity

Optional Redemption: The Bonds maturing on or after December 15, 2029, are subject to optional redemption prior to maturity at the option of the Village on December 15, 2028, and any date thereafter, in whole or in part, and if in part, in such principal amounts and from such maturities as shall be determined by the Village, and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

Mandatory Redemption: The Bonds maturing on December 15, 2039, 2044, and 2049 are term bonds (the “Term Bonds”), subject to mandatory sinking fund redemption in part and by lot, on December 15 of each of the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date:

Term Bonds Due December 15, 2039

<u>Year</u>	<u>Sinking Fund Requirement</u>
2034	\$ 865,000
2035	900,000
2036	935,000
2037	975,000
2038	1,015,000
2039 (final maturity)	1,055,000

Term Bonds Due December 15, 2044

<u>Year</u>	<u>Sinking Fund Requirement</u>
2040	\$1,095,000
2041	1,140,000
2042	1,185,000
2043	1,235,000
2044 (final maturity)	1,280,000

Term Bonds Due December 15, 2049

<u>Year</u>	<u>Sinking Fund Requirement</u>
2045	\$1,335,000
2046	1,375,000
2047	1,420,000
2048	1,465,000
2049 (final maturity)	1,510,000

Redemption Procedure: The Village will, at least 45 days prior to any redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal

amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof. The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by any holder of Bonds (the “Bondholders”) to be redeemed, notice of the call for any redemption will be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Bond Register (as hereinafter defined) or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Flow of Funds

Project Fund. In the Ordinance, there is created and established a special fund of the Village known as the “Project Fund, Series 2019” (the “Project Fund”) to be held by the Village Treasurer. Proceeds of the Bonds shall be deposited in the Project Fund, and the Project Fund shall be used for the purpose of paying for the Project and the costs of issuance of the Bonds. For the purpose of paying first interest due on the Bonds, an amount necessary for that purpose may be loaned from the Project Fund to the Bond Fund (as defined herein). Said amount shall be reimbursed to the Project Fund from the Bond Fund as Levied Taxes are received and available therefor. Additional loans from the Project Fund to the Bond Fund to pay debt service on the Bonds may be made upon further direction by the Corporate Authorities so long as provision is made to reimburse the Project Fund with Levied Taxes. Interest received from deposits in the Project Fund shall, at the discretion of the Corporate Authorities, either be transferred for the payment of the principal of and interest on the Bonds on the interest payment date next after such interest is received or be retained in the Project Fund.

In the event that any moneys remain in the Project Fund upon completion of the Project, the Village shall deposit the remaining moneys in the Project Fund into the Bond Fund and shall cause such moneys to be used to pay the interest on the Bonds on the earliest possible date.

Bond Fund. In the Bond Ordinance, there is created the Bond Fund, Series 2019 (the “Bond Fund”) to be held by the Village Treasurer, which fund shall be the fund for the payment of the principal of and interest on the Bonds at maturity or on redemption, if applicable. Any collection of the Levied Taxes shall be deposited into the Bond Fund, as required, and shall be used solely and only for the payment of principal and interest on the Bonds when due (including any redemption, if applicable).

The Levied Taxes shall be set aside as collected and be deposited in the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the Ordinance. The Bonds are secured by a pledge of all moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the Village are discharged under the Ordinance.

Registration, Payment, and Transfer

The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee for DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as hereinafter defined) of the Bonds. See “**THE BONDS – Book-Entry Only System**” herein.

The Bonds will be issued in the original aggregate principal amount as shown on the inside cover of this Official Statement. The Bonds will be dated as of their date of delivery (the “Dated Date”) and will bear interest from the later of the Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for. Interest

on the Bonds shall be payable semi-annually on each June 15 and December 15 commencing June 15, 2020. Interest on the Bonds shall be computed using a 360-day year and twelve 30-day months and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the inside cover of this Official Statement. The Bonds will be registered Bonds in the denomination of \$5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the designated office maintained for the purpose by the Paying Agent, or such paying agent as the Village may hereafter designate by notice mailed to the Bondholders. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to DTC.

Disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants and Indirect Participants (each as hereinafter defined), as more fully described below. Interest shall be paid when due by check or draft mailed to the registered owners of Bonds as shown on the registration books as of the close of business on the first day (whether or not a business day) of the calendar month of the payment date for each interest payment (the "Record Date") or at the request of a registered owner, by wire transfer to the registered owner's instructions.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance. Upon surrender for transfer or exchange of any Bond at the designated office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date, and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following from the 1st day of the month in which an interest payment date occurs on such Bond to such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

Book-Entry Only System

The information in this section has been furnished by DTC. No representation is made by the Village, Bond Counsel, the Underwriter (as defined herein), or the Bond Registrar and Paying Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Village, Bond Counsel, the Underwriter, or the Bond Registrar and Paying Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Village nor the Bond Registrar and Paying Agent will have any responsibility or obligation to DTC participants, indirect participants or the persons for which they act as nominees with respect to the Bonds, or for any principal or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an

Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

The Village will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

CERTAIN RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Local Economy

The financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population, or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to its poor financial health. The State operated without a fully enacted budget for its fiscal years ended June 30

(each, a “State FY”) 2016 and 2017. On July 6, 2017, the State enacted its budget for State FY 2018, thus resolving much of the budget impasse, while not resolving significant unfunded pension liabilities or the large unpaid bill backlog. On June 4, 2018, the State enacted its budget for the State FY 2019, and on June 5, 2019, the State enacted its budget for the State FY 2020, again without resolving unfunded pension liabilities or the unpaid bill backlog. Therefore, the unfunded pension liabilities and the unpaid bill backlog will continue to pose significant challenges to the State’s finances. Illinois legislators have indicated they intend to address these matters and issued bonds to cover a portion of the unpaid bill backlog in State FY 2018, but it is not clear when, or if, they will resolve the remainder of the unpaid bill backlog or the unfunded pension liability.

As part of the State’s budget process, legislation was passed which made changes in the Local Government Distributive Fund (“LGDF”). LGDF payments to counties and municipalities, like the Village, were reduced by 10% in State FY 2018, and by 5% in State FY 2019. Additionally, the Illinois Department of Revenue (the “Department”) retained an administrative fee of 2% of locally imposed sales taxes collected on behalf of municipalities in State FY 2018, and is retaining an administrative fee of 1.5% of such sales tax collections in State FY 2019.

During the State budget impasse and subsequently, certain appropriations were enacted, including the approval of spending for elementary and secondary education, and certain other spending occurred through statutory transfers, statutory continuing appropriations, court orders, and consent decrees. The Village cannot predict whether the State will continue to fund local revenue sharing at current levels, nor can the Village predict the lingering effect of the State’s budget impasse on the Village’s finances.

The State currently shares a portion of sales tax, income tax, and motor fuel tax revenue with municipalities, and income tax and sales tax revenues with school districts. The State’s general fiscal condition, the underfunding of the State’s pension systems, and the State’s budget impasse have materially adversely affected the State’s financial condition and may result in decreased or delayed revenues allocated to the Village.

The State implemented a 19-cent increase in the motor fuel tax on July 1, 2019, which will raise the Village’s motor fuel tax revenues by a projected 50%.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the Village. Despite the implementation of network security measures by the Village, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware, or computer virus, or may otherwise be breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost, or stolen. Although the Village does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure, or other loss of information could have an adverse effect on the Village’s operations and financial health. Further, as cybersecurity threats continue to evolve, the Village may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Loss or Change of Bond Rating

The Bonds have received a credit rating from S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). The rating can be changed or withdrawn at any time for reasons both under and outside the Village’s control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Village to comply with the Undertaking (as defined below) for continuing disclosure (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Commission under the Exchange Act, and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high-tax-bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various State and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations. For example, Illinois legislators have introduced proposals to modify the State’s Property Tax Extension Limitation Law, as amended (the “Limitation Law”), including freezing property taxes (the “Property Tax Freeze Proposal”). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may freeze the Village’s local property tax revenue. The Village cannot predict whether, or in what form, any such change may be enacted into law, nor can the Village predict the effect of any such change on the Village’s finances.

Factors Relating to Tax Exemption

As discussed under “**TAX EXEMPTION**” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Village in violation of its covenants in the Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Village’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Village.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the holders of the Bonds may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Village could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the holders of the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds and the Bond Resolution will be similarly qualified.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the financing are estimated as follows:

Sources of Funds:

Par Amount of Bonds.....	\$32,790,000.00
Net Reoffering Premium.....	<u>2,654,708.50</u>
Total Sources of Funds	<u>\$35,444,708.50</u>

Uses of Funds:

Deposit to Project Fund.....	\$35,004,518.46
Costs of Issuance ⁽¹⁾	<u>440,190.04</u>
Total Uses of Funds	<u>\$35,444,708.50</u>

⁽¹⁾Includes Underwriter's discount, Bond Registrar and Paying Agent fees, legal fees, rating fee, bond insurance premium, printing, and other miscellaneous costs of issuance.

THE VILLAGE

General Description of the Village

The Village is a home-rule municipality under State law, by way of a Special Census completed September 2, 1997. The Village is located in Lake County (the "County") approximately 35 miles northwest of downtown Chicago and encompasses approximately 9.24 square miles. The Village is bordered generally by the Village of Libertyville to the north and east, the Village of Vernon Hills on the south, and unincorporated land to the west. The U.S. Census Bureau's July 1, 2018 estimated population for the Village was 31,234.

The Village was settled in 1835 and incorporated in 1909 and was previously known by several names. In 1924, the name of the Village was changed to Mundelein after George Cardinal Mundelein, Roman Catholic Archbishop of the Chicago Archdiocese.

The Village is situated within a significant regional transportation network which enables residents to be linked to the Chicago metropolitan area. The Village is approximately four miles west of the Tri-State Tollway (Interstate 94). Commuter rail service is provided by METRA (the North Central Line) with a rail station located in downtown Mundelein. A rail station is also located in Libertyville (the Metra Milwaukee North Line) approximately two miles northeast of Mundelein.

Natural gas delivery service for the Village is provided by Nicor and North Shore Gas, and electricity delivery service is provided by Commonwealth Edison. The Village purchases Lake Michigan water from the Central Lake County Joint Action Water Agency (CLCJAWA). Sewage is collected through Village mains and is transported through transmission lines and treated at the Village's sewage plant located in unincorporated Lake County.

Recreational opportunities are provided by the Mundelein Park and Recreation District including approximately 30 park sites. Library service is provided by the Fremont Township Library located in the Village, the Cook Memorial Library, and Vernon Township Library, located outside the Village. There are five public golf courses in and near the Village.

The Village is served by Mundelein Elementary School District Numbers 70, 73, 75, 76, and 79, and High School District Numbers 120, 125, and 128. The Village is served by Community College District Number 532 (College of Lake

County). Other education institutions located in the Village are Santa Maria Grade School, Carmel High School, and the University of Saint Mary of the Lake.

Advocate Condell Medical Center in Libertyville is located within two miles of the Village.

Village Administration

The Village is governed by an elected Mayor and six trustees. The Mayor is the Village's chief executive officer and is elected to a four-year term. Trustees are elected to staggered four-year terms. The Mayor and three trustees were elected in April 2017, and the remaining three trustees were elected in April 2019. The Mayor and the trustees are all elected on an at-large basis.

The Village, by statute, provides public safety (police and fire), public works, planning and zoning, and general administrative services. The Village currently employs 178 full-time employees, and 10 part-time employees. The Police Department is staffed by a total of 54 full-time officers. The Fire Department is staffed by 28 full-time firefighters and paramedics, two paid on-call firefighter/paramedics, and six contractual firefighter/paramedics. In addition to the above, the Village also employs five part-time crossing guards (during the school year only).

Twenty-three public works employees are represented by the International Union of Operating Engineers Local No. 150, and their contract expires on April 30, 2021. Thirty-eight patrol officers of the Police Department are represented by the Fraternal Order of Police, and their current contract expires on April 30, 2021. Four firefighters of the Fire Department with the rank of lieutenant are represented by the Mundelein Fire Officers Association, and their contract expires on April 30, 2020. Fifteen firefighter/paramedics of the Fire Department are represented by the IAFF, and their contract expires on April 30, 2020.

The current elected Village officials and selected appointed positions are:

Elected Positions			Appointed Positions	
<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Name</u>	<u>Position</u>
Steve Lentz	Mayor	2021	John A. Lobaito	Village Administrator
Sol C. Cabachuela	Village Clerk	2023	Peter Vadopalas	Assistant Village Administrator
Dawn Abernathy	Trustee	2021	Doug Haywood	Director of Finance/Village Treasurer
Kara Lambert	Trustee	2023	Pete Schubkegel	Building Director
Robin Meier	Trustee	2021	Carmen Pedraza	Information Technology Director
Kerston Russell	Trustee	2023	Amanda Orenchuk	Community Development Director
Erich Schwenk	Trustee	2023	Adam Boeche	Public Works and Engineering Director
Ray Semple	Trustee	2021	Eric Guenther	Police Chief
			Bill Lark	Fire Chief

The Village Attorney is appointed by the Mayor with the consent of the Village Board.

Set forth below are brief descriptions of the background of several of the Village's key administrative staff: the Village Administrator, the Assistant Village Administrator, and the Finance Director.

John A. Lobaito, Village Administrator. Mr. Lobaito has been in his current position since 2006, prior to which he was the Director of Community Development of the Village (2002 to 2006). Mr. Lobaito has over 30 years' experience in the public sector after graduating from Illinois State University with a Bachelor of Science degree in Construction Management Technology. He spent seven years in Mundelein's Building Department before accepting a position with the City of McHenry as the Community Development Director. During his tenure in McHenry, he was appointed by the Lake County Board to serve on the Lakes Region Sanitary District Board. In 1997 he accepted the position of City Administrator for the City of McHenry. McHenry is a full-service community and its management organization at such time consisted of five departments and employed 120 people. In 2002, he returned to Mundelein to a position as the Community Development Director. With his varied and extensive background in government, John has applied his knowledge and experience to improving the operations and economic outlook of Mundelein.

Peter Vadopalas, Assistant Village Administrator. Mr. Vadopalas has been the Mundelein Assistant Village Administrator since 2017. Vadopalas holds a Master of Public Administration degree and a Bachelor of Science degree in Economics. His prior 15 years of governmental experience included working for the Villages of Skokie, Wheeling, and Elk Grove Village. Vadopalas also has five years of work experience in the private sector working with development projects.

Doug Haywood, Director of Finance/Village Treasurer. Mr. Haywood has been in his current position since 2012. Mr. Haywood holds a Bachelor of Science in Accountancy from Northern Illinois University. Mr. Haywood is a member of the Government Finance Officers Association and serves on the Board of Directors of the Intergovernmental Risk Management Agency. Mr. Haywood has over 25 years of government finance experience, working for the Village of Downers Grove, the City of DeKalb, and the Government Finance Officers Association prior to 2012.

Current Economic Activities

Located in central Lake County, the Village is approximately 35 miles from downtown Chicago. The Village has grown significantly from the 1990 U.S. Census population of 21,215 to the July 1, 2018 U.S. Census population estimate of 31,234. The Village actively encourages economic development to maintain and expand its property and sales tax bases. The Village's economic development efforts are directed toward property redevelopment, expansion of retail opportunities, and construction of additional residential units.

The Village, in November 2004, adopted a Planned Unit Development (PUD) ordinance to better facilitate development and redevelopment within the Village. The Village Board adopted a new zoning ordinance in 2012 (the "Zoning Ordinance"). The Zoning Ordinance is in line with today's development trends, reduces the number of nonconformities, and is more user-friendly. It outlines the development review process, thus streamlining and expediting development review and approval. Additionally, the Zoning Ordinance creates a downtown zoning district to foster the development and redevelopment of the downtown area pursuant to the recommendations of the TOD (as hereinafter defined). The Village's Comprehensive Plan was approved in 2011. The Comprehensive Plan is the Village's official guide to land use, physical improvement, and development.

Property redevelopment in the downtown area is a major focus evidenced by the completion of the Transit Orientated Development ("TOD") study conducted with a Regional Transportation Authority grant completed late in 2004 and encompassing property within a 1.5-mile radius of the Village's commuter rail station in the downtown area. Understanding the need for incentives to make the TOD plan a reality, the Village, in January 2005, established a tax increment financing ("TIF") district including approximately 80 parcels, 58 structures, and 99 acres surrounding the commuter rail station. Since then, the Village has approved the Cardinal Square residential project, which consists of nine buildings with a total of 564 condominium, townhome, and apartment units. The first building was a condominium building with a total of 84 units, and the second building was completed in 2015 with a total of 65 rental units. Plans have been submitted for two additional apartment buildings in the Cardinal Square project. Another 40 unit rental building was constructed downtown and completed in 2017, separate from the Cardinal Square project.

A Downtown Master Redevelopment Plan was adopted in 2012. In 2014, the Village constructed a LEED-certified Village Hall, a 32,000 square foot building in downtown as a further catalyst for future commercial and residential projects. A second downtown TIF was also established in 2016 to generate additional housing and commercial developments in the downtown. In 2017, a Downtown North Implementation Plan was completed that will guide the downtown development.

The Village has seen other development activities throughout the downtown area, such as the opening of new restaurants, bakeries, cafés, the expansion of existing restaurants, façade renovations, and remodeling. Aside from these projects, the Village has seen an array of activity in the downtown area: expansion of existing eateries and real estate purchases ranging from corporate entities to private individuals.

A \$30 million Transitional Care facility is being built on the south side of the Village with an expected opening date in the spring of 2020.

Medline Industries, currently the largest employer in the Village, completed an approximately 125,000-square foot building in 2011, adding to its existing campus. Medline Industries is a privately-owned company with about 900 employees at the Mundelein campus.

Sysmex, America completed a \$24 million expansion of its manufacturing facility in the Village in 2017, increasing production capacity by 80%.

Ruprecht Meat Company, a meat processing and packaging business that serves restaurants, grocery stores and supermarkets, consolidated three of its plants, two in Chicago and one in Wheeling, into one facility of approximately 108,000 square feet located in the Village in 2011. The company's move to Mundelein brought 200 jobs to the community. A 75,000 square foot addition is underway to add another 50 new jobs.

The Village is experiencing continued interest in residential development. In 2006, the Village Board approved an active adult community proposed by Del Webb, which consists of 725 single-family homes. The project is nearly completed. A new single-family subdivision Orchard Meadows, consisting of 69 homes, was started in 2016 and completed in 2018. The Orchard Meadows builder has begun constructing another 63 single-family home subdivision on the west side of the Village called Maple Hill. A new 36-unit apartment building was also completed on Diamond Lake in 2016.

A second Jewel-Osco store in the Village opened in 2016. Also in the Village, Panera Bread opened a new restaurant in 2017, and Ulta Cosmetics opened a new store in 2017.

The Building Department of the Village is staffed by a Director, three building inspectors, a code enforcement officer, a plumbing inspector, a fire inspector, and a secretary with a total staffing level of eight full-time positions. The Village's Insurance Services Office, Inc. ("ISO") rating as of 2019 is Class 2 for commercial and industrial property and Class 2 for one and two family residential properties. ISO is the leading supplier of statistical data, underwriting information, and actuarial analysis to the property/casualty insurance industry.

Investment Policy

Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool.

The Village maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investment." In addition, investments are separately held by several of the Village's funds. The investment policy permits the Village to make deposits/investments in insured commercial banks located within and in close proximity to the Village, obligations of the U.S. Treasury (bills), money market mutual funds with portfolios of securities issued or guaranteed (implicitly or explicitly) by the United States Government, and the Public Treasurer's Investment Pool. It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of the public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity, and yield.

Population

The following table shows the population of the Village, the County, and the State for the last two U.S. Censuses and the U.S. Census Bureau's population estimate as of July 1, 2018.

	<u>Village</u>	<u>County</u>	<u>State</u>
2000.....	30,935	644,356	12,419,293
2010.....	31,064	703,462	12,830,632
2018 – July 1 Estimate	31,234	700,832	12,741,080

Source: U.S. Census Bureau.

REAL PROPERTY ASSESSMENT, TAX LEVY, AND COLLECTION PROCEDURES

Tax Levy and Collection Procedure

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the County Clerk of Lake County (the "County Clerk"). The County Clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The County Clerk then certifies the information needed to bill the taxes attributable to the various parcels within the County to the County Collector, who is also the County Treasurer (the "County Treasurer" or the County Collector"). After the taxes have been collected, the County Collector distributes to the various taxing bodies their respective share of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code") currently provides for a variety of different homestead exemptions ("Homestead Exemptions"). Homestead Exemptions reduce the property tax burden of the recipient while increasing the tax burden for all other taxpayers in the taxing district.

The General (Residential) Homestead Exemption reduces the taxable assessed value of an individual's primary residence by an amount equal to the increase in equalized assessed valuation ("EAV") over the 1977 EAV. The maximum assessment deduction for counties with less than 3,000,000 inhabitants is \$6,000 for taxable year 2012 and thereafter. This exemption may be granted on a prorated basis for newly constructed homes based upon the number of days in the tax year the home was occupied by the taxpayer.

The Disabled Persons' Homestead Exemption is an additional exemption available to certain disabled individuals who meet State-mandated guidelines. The exemption reduces the taxable assessed value by an additional \$2,000.

The Homestead Improvement Exemption applies to residential properties that have been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to the fair cash value up to an annual maximum of \$75,000 for up to four years (or \$25,000 in assessed value, which is 33-1/3% of fair cash value), to the extent the assessed value deduction is attributable solely to such improvements or rebuilding.

There are two additional exemptions for senior citizens. The Senior Citizens Homestead exemption operates annually to reduce the EAV on a senior citizen's home. For taxable year 2013 and thereafter, the maximum reduction is \$5,000. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and receive an annual income not in excess of \$55,000 through taxable year 2017 and \$65,000 for taxable year 2018 and thereafter. In general, this exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior

citizen's residence for the year prior to the year in which he or she first qualifies and applies for this exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015, purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year, and (c) 35% in the ninth year. The benefit ceases in the 10th year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster, as defined in the Property Tax Code, occurring in taxable year 2012 or any taxable year thereafter. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to the veteran with a disability.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (i) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (ii) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (iii) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Lastly, in addition to the Homestead Exemptions, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers, and consolidations. Currently, the Limitation Law applies to and is a limitation upon all non-home-rule taxing bodies in Cook, DuPage, Kane, Lake, McHenry and Will Counties, and in counties that have adopted the limitation through referendum.

The effect of the Limitation Law is to limit the amount of property taxes that may be extended for a taxing body. In addition, general obligation bonds, notes, and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes. Units of local government may issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. As a "home-rule" unit of government, the Village is not subject to the Limitation Law.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which may be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The Village covenanted in the Ordinance that it will not take any action which would adversely affect the levy, extension, collection, and application of the taxes levied by the County Clerk for payment of principal of and interest on the Bonds. The Village also covenanted that it will comply with all present and future laws concerning the levy, extension, and collection of such taxes levied by the Village.

Property Taxes

The following table sets forth the Village’s tax levy and collections for the last five levy years, and for the current levy year.

Tax Levy and Collections

Levy Year	Collection Year	Taxes Extended ⁽¹⁾	Taxes Collected ⁽²⁾	Collection Percentage
2013	2014	\$11,891,234	\$11,815,739	99.37%
2014	2015	11,863,762	11,821,379	99.64%
2015	2016	11,859,987	11,819,627	99.66%
2016	2017	12,559,782	12,520,865	99.69%
2017	2018	13,188,932	13,171,898	99.87%
2018 ⁽³⁾	2019	13,390,830	In process	

⁽¹⁾Excludes any adjustments.

⁽²⁾Includes interest earnings.

⁽³⁾Collections are in process.

Source: County Clerk's and Treasurer's Offices.

Equalized Assessed Valuation by Property Classification⁽¹⁾

	2014	2015	2016	2017	2018
Residential	\$ 542,510,524	\$ 562,749,622	\$ 601,021,972	\$ 633,725,516	\$ 655,826,312
Commercial	123,752,325	123,932,778	132,767,372	138,794,835	142,126,276
Industrial	66,494,504	66,672,616	67,995,809	72,148,360	74,506,946
Farm.....	18,808	21,857	25,180	30,102	126,609
Railroad	1,243,973	1,500,203	1,657,283	1,368,863	1,441,230
Total EAV	<u>\$ 734,020,134</u>	<u>\$ 754,877,076</u>	<u>\$ 803,467,616</u>	<u>\$ 846,067,676</u>	<u>\$ 874,027,373</u>
Estimated Market Value	\$2,202,060,402	\$2,264,631,228	\$2,410,402,848	\$2,538,203,028	\$2,622,082,119
% Change	(2.90%) ⁽³⁾	2.84%	6.44%	5.30%	3.30%

Per Capita 2018 EAV⁽²⁾\$27,983

Per Capita 2018 Estimated Market Value⁽²⁾\$83,950

⁽¹⁾Excludes EAV for TIF incremental value and exemptions.

⁽²⁾Based on the Village’s July 1, 2018 U.S. Census Bureau estimate of 31,234.

⁽³⁾Percent change based on the Village’s 2013 Estimated Market Value of \$2,267,876,874.

Source: County Clerk's Office.

Equalized Assessed Valuation – Tax Increment Financing Districts Located Within the Village

A portion of the Village's EAV is contained in the Village's two TIF districts. See "THE VILLAGE – Current Economic Activities" herein. When a TIF district is created within the boundaries of a taxing body, such as the Village, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such. Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the Village until the TIF district expires. The Village's 2018 TIF EAV is \$7,635,130. The total EAV for the Village, including the TIF increment, for the last five tax years is as follows:

Village TIF EAV Trend

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
EAV	\$734,020,134	\$754,877,076	\$803,467,616	\$846,067,676	\$874,027,373
TIF #2	5,745,489	6,145,136	6,600,690	6,791,404	7,319,226
TIF #3	-	-	464,180	301,758	315,904
Total EAV	<u>\$739,765,623</u>	<u>\$761,022,212</u>	<u>\$810,532,486</u>	<u>\$853,160,838</u>	<u>\$881,662,503</u>

Source: County Clerk's Office.

Tax Rates

The Village's property tax rates expressed as a dollar for each \$100 of EAV, for tax levy years 2014 through 2018, are as follows:

Village Tax Rate Trend (Per \$100 of EAV)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds.....	\$0.186	\$0.130	\$0.123	\$0.116	\$0.113
Corporate.....	0.836	0.775	0.780	0.741	0.717
Firemen's Pension.....	0.080	0.088	0.077	0.093	0.103
IMRF	0.082	0.093	0.093	0.089	0.080
Police Pension	0.178	0.225	0.179	0.216	0.222
Social Security.....	0.109	0.119	0.124	0.126	0.126
Street & Bridge.....	<u>0.145</u>	<u>0.141</u>	<u>0.187</u>	<u>0.177</u>	<u>0.172</u>
Total	<u>\$1.616</u>	<u>\$1.571</u>	<u>\$1.563</u>	<u>\$1.559</u>	<u>\$1.532</u>

Source: County Clerk's Office.

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Representative Tax Rates

The Village's property tax rates and those levied by other units of government expressed as a dollar for each \$100 of EAV, for the tax levy years 2014 through 2018 are as follows:

Representative Total Tax Rate (Per \$100 of EAV)

Taxing Body	Tax Levy Year				
	2014	2015	2016	2017	2018
Village	\$ 1.616	\$ 1.571	\$ 1.563	\$1.559	\$1.532
Lake County	0.682	0.663	0.632	0.622	0.612
Lake County Forest Preserve.....	0.210	0.208	0.193	0.187	0.182
Fremont Township ⁽¹⁾	0.284	0.278	0.262	0.253	0.249
Fremont Library District.....	0.489	0.483	0.457	0.358	0.357
Mundelein Park District	0.515	0.503	0.478	0.466	0.474
Central Lake County Joint Action Water Agency	0.056	0.054	0.046	0.041	0.000
School District #75.....	5.240	5.141	4.912	4.798	4.786
High School District #120	2.828	2.771	2.620	2.552	2.543
Community College #532.....	<u>0.306</u>	<u>0.299</u>	<u>0.285</u>	<u>0.281</u>	<u>0.282</u>
Total	<u>\$12.228</u>	<u>\$11.972</u>	<u>\$11.449</u>	<u>\$11.117</u>	<u>\$11.017</u>

⁽¹⁾Includes Township and Township Road District.
Source: County Clerk's Office.

Principal Taxpayers in the Village

The top ten taxpayers of the Village and 2018 EAV are as follows:

Principal Taxpayers		2018 Equalized Assessed Valuation ⁽¹⁾	Percent of the Village's 2018 EAV ⁽²⁾
Taxpayer	Type of Business/Property		
TLC Park Butterfield Apartment Assoc, LLC	Rental apartments	\$10,811,237	1.23%
1200 Townline Road Associated LP	Hospital supplies (Medline)	7,168,177	0.81%
Sysmex America Inc.	Commercial building	6,167,054	0.70%
Mundelein 83	Retail (Mundelein Crossings)	4,032,696	0.46%
Target Corporation	Retail store	3,840,054	0.44%
Centro Bradley Long Meadow LLC	Shopping center	3,751,520	0.43%
Ruprecht Company	Offices	3,186,727	0.36%
JEH Ltd Partnership	Commercial property	3,002,370	0.34%
Townline Storage 17 (IL) LLC	Commercial property	2,663,346	0.30%
Townline Retail Investment Company	Commercial property - retail store	<u>2,633,206</u>	<u>0.30%</u>
Total		<u>\$47,256,387</u>	<u>5.36%</u>

⁽¹⁾EAV is approximately 1/3 of market value.

⁽²⁾Based on the Village's 2018 EAV of \$881,662,503, which includes TIF incremental value.

Source: County Clerk's Office.

Tax Extensions and Collections

A tax rate based on the total assessed valuation of the Village is established annually. The County Treasurer is responsible for collecting local property taxes and distributing to the Village its share of the tax revenues as they are collected. Taxes are billed annually, as a rule, in April/May.

The bills contain two installment dates set at June 1 and September 1. Delinquent taxpayers are first notified in the latter part of October, and a tax sale is held in November to recover such delinquent taxes (detailed procedures covering the sale of property for delinquent taxes are prescribed in Division 4 of Article 21 of the Property Tax Code (35 ILCS 200/1-1 et seq.)).

If no tax sale is made, taxes on real estate which are delinquent for two years or more can be offered for sale at the “scavenger” sale. The bidding at the scavenger sale is in ascending fixed dollar amounts and the highest bid is in satisfaction of the full amount of all delinquent taxes. The County Assessors reassess each township every four years with 2015 being the most recent quadrennial year.

SALES TAX RECEIPTS

The following table provides the Village’s 1% municipal portion of the retailer’s occupation, service occupation, and use tax collected from the State and its 1% home-rule sales tax receipts received after the State’s administrative fees for the last five State fiscal years.

State Fiscal Year	1% State Sales Tax	Home-Rule Sales Tax ⁽¹⁾	Total Sales Tax
2015	\$4,992,383	\$3,625,629	\$8,618,012
2016	5,115,885	3,680,693	8,796,577
2017	5,099,897	3,578,608	8,678,505
2018	5,022,521	3,328,297	8,350,818
2019	4,960,283	3,324,521	8,284,805

⁽¹⁾The Department retained an administrative fee of 2% of home-rule sales tax collections in State FY 2018 and 1.5% of such sales tax collections in State FY 2019.

Source: The Department.

DEBT STATEMENT

Debt Limitation

The Village has no general obligation debt limitation because it is a home-rule unit of government under Article VII of the 1970 Illinois Constitution. The Village Board has the option to pass an ordinance to set a debt limit for the amount of general obligation bonds outstanding. As of this date, it has not done so.

Outstanding General Obligation Debt (as of closing of the Bonds):

Taxable General Obligation Bonds, Series 2010A	\$ 355,000
General Obligation Refunding Bonds, Series 2010B	1,175,000
General Obligation Refunding Bonds, Series 2013	1,390,000
General Obligation Refunding Bonds, Series 2017	5,470,000
The Bonds	<u>32,790,000</u>
Gross General Obligation Direct Debt	\$41,180,000

Debt Amortization

The table that follows presents information as to the retirement of the Village's outstanding general obligation bonded debt as of the issuance of the Bonds.

Issue Dated Date	Series 2010A 7/15/2010	Series 2010B 7/15/2010	Series 2013 12/18/2013	Series 2017 11/9/2017	The Bonds 8/15/2019	Cumulative Retirement		
Par Amount	\$7,100,000	\$9,135,000	\$3,210,000	\$5,565,000	\$32,790,000			
Maturity	12/15/2019	12/15/2019	12/15/2021	12/15/2030	12/15/2049			
Fiscal Year April 30	Principal	Principal	Principal	Principal	Principal	Total Outstanding	Amount	Percent
2020	\$355,000	\$1,175,000	\$ 450,000	\$ 30,000	\$ -	\$ 2,010,000	\$39,170,000	4.88%
2021	-	-	460,000	405,000	390,000	1,255,000	37,915,000	7.93%
2022	-	-	480,000	415,000	820,000	1,715,000	36,200,000	12.09%
2023	-	-	-	430,000	850,000	1,280,000	34,920,000	15.20%
2024	-	-	-	440,000	885,000	1,325,000	33,595,000	18.42%
2025	-	-	-	465,000	920,000	1,385,000	32,210,000	21.78%
2026	-	-	-	490,000	960,000	1,450,000	30,760,000	25.30%
2027	-	-	-	510,000	995,000	1,505,000	29,255,000	28.96%
2028	-	-	-	535,000	1,035,000	1,570,000	27,685,000	32.77%
2029	-	-	-	560,000	1,080,000	1,640,000	26,045,000	36.75%
2030	-	-	-	585,000	1,120,000	1,705,000	24,340,000	40.89%
2031	-	-	-	605,000	1,165,000	1,770,000	22,570,000	45.19%
2032	-	-	-	-	1,215,000	1,215,000	21,355,000	48.14%
2033	-	-	-	-	1,260,000	1,260,000	20,095,000	51.20%
2034	-	-	-	-	1,310,000	1,310,000	18,785,000	54.38%
2035	-	-	-	-	865,000 ⁽¹⁾	865,000	17,920,000	56.48%
2036	-	-	-	-	900,000 ⁽¹⁾	900,000	17,020,000	58.67%
2037	-	-	-	-	935,000 ⁽¹⁾	935,000	16,085,000	60.94%
2038	-	-	-	-	975,000 ⁽¹⁾	975,000	15,110,000	63.31%
2039	-	-	-	-	1,015,000 ⁽¹⁾	1,015,000	14,095,000	65.77%
2040	-	-	-	-	1,055,000	1,055,000	13,040,000	68.33%
2041	-	-	-	-	1,095,000 ⁽¹⁾	1,095,000	11,945,000	70.99%
2042	-	-	-	-	1,140,000 ⁽¹⁾	1,140,000	10,805,000	73.76%
2043	-	-	-	-	1,185,000 ⁽¹⁾	1,185,000	9,620,000	76.64%
2044	-	-	-	-	1,235,000 ⁽¹⁾	1,235,000	8,385,000	79.64%
2045	-	-	-	-	1,280,000	1,280,000	7,105,000	82.75%
2046	-	-	-	-	1,335,000 ⁽¹⁾	1,335,000	5,770,000	85.99%
2047	-	-	-	-	1,375,000 ⁽¹⁾	1,375,000	4,395,000	89.33%
2048	-	-	-	-	1,420,000 ⁽¹⁾	1,420,000	2,975,000	92.78%
2049	-	-	-	-	1,465,000 ⁽¹⁾	1,465,000	1,510,000	96.33%
2050	-	-	-	-	1,510,000	1,510,000	-	100.00%
	\$355,000	\$1,175,000	\$1,390,000	\$5,470,000	\$32,790,000	\$41,180,000		

⁽¹⁾Represent sinking fund payments due on Term Bonds.

Source: The Village's Comprehensive Annual Financial Report for fiscal year ended April 30, 2018, and the Electronic Municipal Market Access system ("EMMA").

Detailed Statement of Direct and Overlapping Bonded Indebtedness⁽¹⁾

	Total Debt <u>Outstanding</u>	Self- <u>Supporting</u>	<u>Net</u>
General Obligation Bonds	\$41,180,000	\$ 0	\$41,180,000
IEPA Loan	<u>0</u>	<u>0</u>	<u>0</u>
Totals.....	\$41,180,000	\$ 0	\$41,180,000
Per Capita Direct Debt ⁽²⁾			\$ 1,318.44
Percent of Direct Debt to 2018 EAV ⁽³⁾			4.71%
Percent of Direct Debt to estimated 2018 Market Value ⁽⁴⁾			1.57%
<u>Issuer</u>	<u>Bonded Debt</u>	<u>Percent</u>	<u>Amount</u>
Lake County ⁽⁵⁾	\$ 0	3.287%	\$ 0
Lake County Forest Preserve District ⁽⁶⁾	240,365,000	3.287	7,900,798
Cook Memorial Library District ⁽⁷⁾	0	7.787	0
Countryside Fire Protection District	2,840,000	0.011	312
Mundelein Park District.....	3,610,000	89.118	3,217,160
Vernon Hills Park District ⁽⁸⁾	1,031,385	0.001	10
School District #70 ⁽⁹⁾	10,430,000	0.064	6,675
School District #73	49,800,529	14.555	7,248,467
School District #75	3,939,859	98.676	3,887,695
School District #76	11,400,000	33.702	3,842,028
School District #79	13,745,000	25.969	3,569,439
High School District #120 ⁽¹⁰⁾	14,649,155	57.928	8,485,963
High School District #125 ⁽¹¹⁾	44,745,000	0.607	271,602
Community College Co. 532 ⁽¹²⁾	13,290,000	3.457	459,435
Total			<u>\$38,889,585</u>
Per Capita Overlapping Debt ⁽²⁾			\$ 1,245.10
Percent of Overlapping Debt to 2018 EAV ⁽³⁾			4.45%
Percent of Overlapping Debt to estimated 2018 Market Value ⁽⁷⁾			1.48%
Total Direct and Overlapping Bonded Debt: ⁽⁸⁾			<u>\$80,069,585</u>
Per Capita Direct and Overlapping Debt ⁽²⁾			\$ 2,563.54
Percent of Direct and Overlapping Debt to 2018 EAV ⁽³⁾			9.16%
Percent of Direct and Overlapping Debt to estimated 2018 Market Value ⁽⁴⁾			3.05%

⁽¹⁾Village's General Obligation Bonds as of the dated date of the Bonds. Overlapping debt as of June 21, 2019.

⁽²⁾Based on the Village's U.S. Census Bureau July 1, 2018 population estimate of 31,234.

⁽³⁾Based on the Village's 2018 EAV of \$874,027,373.

⁽⁴⁾Based on the Village's 2018 Estimated Market Value of \$2,622,082,119.

⁽⁵⁾Excludes \$174,530,000 alternate revenue source bonds.

⁽⁶⁾Excludes \$5,690,000 debt certificates.

⁽⁷⁾Excludes \$7,940,000 debt certificates.

⁽⁸⁾Excludes \$7,865,000 alternate revenue source bonds.

⁽⁹⁾Excludes \$660,000 alternate revenue source bonds and \$6,440,000 debt certificates.

⁽¹⁰⁾Excludes \$3,505,000 debt certificates.

⁽¹¹⁾Excludes \$930,000 debt certificates.

⁽¹²⁾Excludes \$45,175,000 alternate revenue source bonds and \$305,000 debt certificates.

Source: EMMA and the County Clerk's Office.

Future Financing

The Village does not anticipate selling additional bonds for the next 12 months.

Short-Term Borrowing

The Village has not utilized short-term borrowing.

PENSION PLANS^(*)

Plan Descriptions

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (“IMRF”), an agent multiple-employer defined benefit pension plan, the Police Plan (the “Police Plan”), a single-employer pension plan, and the Firefighters’ Pension Plan (the “Firefighters’ Plan”), a single-employer pension plan. The benefit, benefit levels, employee contributions, and employer contributions are governed by State statute, and can only be amended by the Illinois General Assembly. The Police and Firefighters’ Plans do not issue separate financial reports on the pension plans. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for the individual employers. That report may be obtained on-line at www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration: The Village’s defined benefit pension plan for regular employees (other than those covered by the Police or Firefighters’ Plans) provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the IMRF. A summary of IMRF’s pension benefits is provided in “Benefits Provided” described below. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

Benefits Provided: 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 to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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% each year thereafter to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in CPI of the original pension amount.

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^(*)Source: The Village’s fiscal year 2018 CAFR. See **APPENDIX A** hereto for the Village’s 2018 CAFR.

Plan Membership: As of December 31, 2017, the measurement date for the net pension liability, the following employees were covered by benefit terms:

Retirees and beneficiaries currently receiving benefits	88
Terminated employees entitled to but not yet receiving benefits	70
Current employees	<u>99</u>
Total	257

Net Pension Liability: The Village's net pension liability at April 30, 2018, was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2018 was \$2,800,468.

Contributions: As set by statute, the Village's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2017 was 12.43 percent of annual covered payroll, 12.55 percent for calendar year 2018, and 10.63 percent for calendar year 2019. For the year ended April 30, 2018, the Village contributed \$1,018,394 to IMRF. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Discount Rate. A single discount rate ("SDR") of 7.50% (same in prior year) was used to measure the total pension liability. The projection of cash flows used to determine the SDR 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity: The following is a sensitivity analysis of the Village's net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.50% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village's Net Pension Liability (Asset)	\$9,198,411	\$2,800,468	\$(2,444,669)

Police Plan

Plan Administration: The Police Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by State statute and may be amended only by the Illinois legislature. The Village accounts for this plan as a pension trust fund.

Plan Membership: At April 30, 2017 and 2018, the measurement dates, membership consisted of the following:

	2017	2018
Retirees and beneficiaries currently receiving benefits	34	34
Retirees and beneficiaries entitled to but not yet receiving benefits	2	2
Current employees:		
Vested	37	38
Non-vested	<u>17</u>	<u>16</u>
Total	90	90

Benefits Provided: The Police Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1993 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the pension payable including increases previously granted.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the CPI or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. 1/2% for each month under the age of 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or one-half of the change in CPI for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, is increased annually, following the first anniversary date of retirement and will be paid upon reaching the age of at least 55 years, by 3% of the amount of the pension payable at the time of the increase.

Contributions: Covered employees are required by State statute to contribute 9.91% of their base salary to the Police Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially-determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where 90% of the past service cost for the Police Plan is funded by the year 2040.

Village contributions to the Police Plan for the year ended April 30, 2018, were \$1,436,044.

Discount Rate. The discount rate used to measure the total pension liability was 5.90% (6.06% in the prior year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate, and that the Village contributions will be made at rates equal to the difference between actuarially-determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2059. Accordingly, the discount rate reflects the use of the long-term expected rate of return of 7.0% through 2059, and the use of a high quality 20-year tax-exempt G.O. bond rate of 3.97% for all remaining years.

Discount Rate Sensitivity: The following is a sensitivity analysis of the Village's net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 5.90% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
Village's Net Pension Liability (Asset)	\$43,425,475	\$32,577,783	\$23,993,024

For the year ended April 30, 2018, the Village recognized pension expense of \$3,427,226.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or 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 held on the last day of service. 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 to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement, and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under the age of 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or 1/2 of the change in the CPI for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of the final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive 12% of the final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

Plan Membership: At April 30, 2017 and 2018, the measurement dates, membership consisted of the following:

	2017	2018
Inactive plan members or beneficiaries currently receiving benefits	12	12
Inactive plan members entitled to but not yet receiving benefits	1	1
Active plan members	<u>24</u>	<u>24</u>
Total	37	37

Contributions. Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially-determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where 90% of the past service cost for the Firefighters' Pension Plan is funded by the year 2040. Administrative expenses are generally paid from plan assets.

Village contributions to the Firefighters' Pension Plan for the year ended April 30, 2018, were \$616,808.

Discount Rate. The discount rate used to measure the total pension liability was 5.98% (6.22% in the prior year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate, and that the Village contributions will be made at rates equal to the difference between actuarially-determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2060. Accordingly, the discount rate reflects the use of the long-term expected rate of return of 7.0% through 2058, and the use of a high quality 20-year tax-exempt G.O. bond rate of 3.97% for all remaining years.

Discount Rate Sensitivity: The following is a sensitivity analysis of the Village's net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 5.98% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (4.98%) or 1 percentage point higher (6.98%) than the current rate:

	1% Decrease (4.98%)	Current Discount Rate (5.98%)	1% Increase (6.98%)
Village's Net Pension Liability (Asset)	\$19,868,274	\$14,218,581	\$9,669,309

For the year ended April 30, 2018, the Village recognized pension expense of \$3,427,226.

Actuarial Assumptions – All Plans

For IMRF, the Village's net pension liability as of April 30, 2018 was measured as of December 31, 2017 for IMRF, and the total pension liability was determined by an actuarial valuation performed as of December 31, 2017. For the Police and Firefighters' Plans, the net pension liability was measured as of April 30, 2018, and the total pension liability was determined by an actuarial valuation performed as of April 20, 2018. The following actuarial methods and assumptions were used:

	IMRF	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2017	April 30, 2018	April 30, 2018
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	Market value of assets	Market value of assets	Market value of assets
Assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
Salary Increases	3.39% to 14.25%, including inflation	3.75% to 7.10%, including inflation	4.00% to 6.70%, including inflation
Price inflation	2.50%	2.50%	2.50%
Projected increase in total payroll	-	3.50%	3.50%

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Schedule of Employer Contributions⁽¹⁾

Employer contributions for the past three years are as follows, other than for the IMRF, as noted below.

	Fiscal Year	IMRF ^{(2)*}	Police Pension**	Firefighters' Pension***
Actuarially Determined Contributions	2016	\$1,091,237	\$1,462,121	\$ 627,437
	2017	1,023,231	1,886,666	733,114
	2018	1,018,394	1,991,947	840,992
Actual Contributions	2016	\$1,086,716	\$1,305,730	\$ 582,571
	2017	1,025,028	1,698,322	660,248
	2018	1,018,394	1,436,044	616,808
Contribution Deficiency (Excess)	2016	\$ 4,521	\$ 156,391	\$ 44,866
	2017	(1,797)	188,344	72,866
	2018	-	555,903	224,184
Covered-employee Payroll	2016	\$8,045,813	\$5,492,977	\$3,138,475
	2017	7,845,210	4,955,441	2,298,259
	2018	8,165,357	5,150,631	2,519,605
Contributions as a % of Covered-employee Payroll	2016	13.51%	23.77%	18.56%
	2017	13.07%	34.27%	28.73%
	2018	12.47%	27.88%	24.48%

⁽¹⁾This schedule is intended to show information for 10 years, and additional years' information will be displayed as it becomes available, based on Governmental Accounting Standard's Board ("GASB") Statement No. 68 for IMRF (adopted in 2015), and GASB No. 67 for the Police and Firefighters' Pension Plans (adopted in fiscal year 2015).

⁽²⁾Actuarially-determined contribution rates are calculated as of December 31 of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

*Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed, and the amortization period was 26 years closed period; the asset valuation method was five-year smoothed market, 20% corridor; investment rate of return was 7.50%; projected salary increases assumption of 3.75% to 14.50%; investment rate of return of 7.50%, and inflation of 2.75% approximate.

**Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was straight-line, and the remaining amortization period was 23 years; the asset-valuation method was market value; the investment rate of return was 7.00%; projected salary increase assumption of 3.75% to 7.10%; and inflation of 2.50%.

***Additional information as of the latest actuarial valuation presented is as follows: the actuarial-cost method was entry-age normal; the amortization method was straight-line, and the remaining amortization period was 100% funded through 2033; the asset-valuation method was market value; the investment rate of return was 7.00%; projected salary increase assumption of 4.00% to 6.70%; and inflation of 2.50%.

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Schedule of Changes in Employer's Net Pension Liability and Related Ratios

IMRF:

<i>Schedule of Changes in Net Pension Liability:</i>	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>
Service Cost	\$ 831,273	\$ 843,761	\$ 831,213
Interest	3,178,103	3,294,134	3,481,926
Differences Between Expected and Actual Experience	(703,325)	247,066	65,720
Changes of Assumptions	58,166	(120,189)	(1,485,982)
Benefit Payments, including Refunds of Member Contributions	<u>(1,747,929)</u>	<u>(1,777,102)</u>	<u>(1,966,998)</u>
Net Change in Total Pension Liability	1,616,288	2,487,670	925,879
Total Pension Liability – Beginning	<u>42,889,608</u>	<u>44,505,896</u>	<u>46,993,566</u>
Total Pension Liability – Ending	<u>\$44,505,896</u>	<u>\$46,993,566</u>	<u>\$47,919,445</u>
 Plan Fiduciary Net Position:	 <u>4/30/2016</u>	 <u>4/30/2017</u>	 <u>4/30/2018</u>
Contributions - Village	\$ 1,044,957	\$ 1,050,531	\$ 994,735
Contributions – Member	346,772	352,763	364,609
Net Investment Income	186,539	2,554,161	6,816,040
Benefit Payments, including Refunds of Member	(1,747,929)	(1,777,102)	(1,966,998)
Other (Net transfer)	<u>(221,714)</u>	<u>396,067</u>	<u>(760,393)</u>
Net Change in Plan Fiduciary Net Position	(391,375)	2,576,420	5,447,993
Plan Net Position – Beginning	<u>37,485,939</u>	<u>37,094,564</u>	<u>39,670,984</u>
Plan Net Position – Ending	<u>\$37,094,564</u>	<u>\$39,670,984</u>	<u>\$45,118,977</u>
Village's Net Pension Liability	<u>\$ 7,411,332</u>	<u>\$ 7,322,582</u>	<u>\$ 2,800,468</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	83.35%	84.42%	94.16%
Covered-Employee Payroll	\$ 8,045,813	\$7,826,376	\$ 8,002,702
Employer's Net Pension Liability as a % of Covered-Employee Payroll	92.11%	93.56%	34.99%

Note: This schedule is intended to show information for 10 years, and additional years' information will be displayed as it becomes available, based on GASB Statement No. 68 for IMRF (adopted in fiscal year 2016).

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Police Pension:

<i>Schedule of Changes in Net Pension Liability:</i>	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>
Service Cost	\$ 1,419,301	\$ 1,505,684	\$ 1,517,547
Interest	2,638,886	3,464,447	3,422,071
Differences Between Expected and Actual Experience	(674,152)	411,780	69,000
Changes of Assumptions	9,714,586	(4,102,425)	825,139
Benefit Payments, including Refunds of Member Contributions	<u>(1,724,726)</u>	<u>(1,911,997)</u>	<u>(1,895,829)</u>
Net Change in Total Pension Liability	11,373,895	(632,511)	3,937,928
Total Pension Liability – Beginning	<u>46,676,357</u>	<u>58,050,252</u>	<u>57,417,741</u>
Total Pension Liability – Ending	<u>\$58,050,252</u>	<u>\$57,417,741</u>	<u>\$61,355,669</u>
 Plan Fiduciary Net Position:	 <u>4/30/2016</u>	 <u>4/30/2017</u>	 <u>4/30/2018</u>
Contributions – Village	\$ 1,305,730	\$ 1,698,322	\$ 1,436,044
Contributions – Member	503,875	483,774	507,505
Contributions – Other	-	241,973	2,256
Net Investment Income	226,006	2,192,076	2,366,652
Benefit Payments	(1,724,726)	(1,911,997)	(1,895,829)
Administrative Expense	<u>(44,653)</u>	<u>(46,958)</u>	<u>(47,408)</u>
Net Change in Plan Fiduciary Net Position	266,232	2,657,190	2,369,220
Plan Net Position – Beginning	<u>23,485,243</u>	<u>23,751,475</u>	<u>26,408,666</u>
Plan Net Position – Ending	<u>\$23,751,475</u>	<u>\$26,408,665</u>	<u>\$28,777,886</u>
Village's Net Pension Liability	<u>\$34,298,777</u>	<u>\$31,009,075</u>	<u>\$32,577,783</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	40.92%	45.99%	46.90%
Covered-Employee Payroll	\$ 5,492,977	\$ 4,955,441	\$ 5,150,531
Employer's Net Pension Liability as a % of Covered-Employee Payroll	624.41%	625.76%	632.51%

Note: This schedule is intended to show information for 10 years, and additional years' information will be displayed as it becomes available, based on GASB Statement No. 67 for the Police Plan (adopted in fiscal year 2015).

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Firefighters' Pension Plan:

<i>Schedule of Changes in Net Pension Liability:</i>	<u>4/30/2016</u>	<u>4/30/2017</u>	<u>4/30/2018</u>
Service Cost	\$ 757,788	\$ 693,011	\$ 736,113
Interest	1,339,984	1,893,269	1,918,806
Differences Between Expected and Actual Experience	777,345	337,279	(10,210)
Changes of Assumptions	5,493,935	(1,584,757)	1,180,355
Benefit Payments, including Refunds of Member Contributions	<u>(806,871)</u>	<u>(865,810)</u>	<u>(990,673)</u>
Net Change in Total Pension Liability	7,562,181	472,993	2,834,391
Total Pension Liability – Beginning	<u>23,309,141</u>	<u>30,871,322</u>	<u>31,344,315</u>
Total Pension Liability – Ending	<u>\$30,871,322</u>	<u>\$31,344,315</u>	<u>\$34,178,706</u>
 Plan Fiduciary Net Position:	 <u>4/30/2016</u>	 <u>4/30/2017</u>	 <u>4/30/2018</u>
Contributions – Village	\$ 582,571	\$ 660,248	\$ 616,808
Contributions – Member	229,938	229,723	227,416
Contributions – Other	-	9,000	5,000
Net Investment Income	(18,917)	1,659,918	1,202,485
Benefit Payments	(806,871)	(865,810)	(990,673)
Administrative Expense	<u>(29,055)</u>	<u>(31,739)</u>	<u>(38,581)</u>
Net Change in Plan Fiduciary Net Position	(42,334)	1,661,341	1,022,455
Plan Net Position – Beginning	<u>17,318,663</u>	<u>17,276,329</u>	<u>18,937,670</u>
Plan Net Position – Ending	<u>\$17,276,329</u>	<u>\$18,937,670</u>	<u>\$19,960,125</u>
Village's Net Pension Liability	<u>\$13,594,993</u>	<u>\$12,406,645</u>	<u>\$14,218,581</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	55.96%	60.42%	58.40%
Covered-Employee Payroll	\$ 3,138,475	\$ 2,298,259	\$ 2,519,605
Employer's Net Pension Liability as a % of Covered-Employee Payroll	433.17%	539.83%	564.32%

Note: This schedule is intended to show information for 10 years, and additional years' information will be displayed as it becomes available, based on GASB Statement No. 67 for the Police Plan (adopted in fiscal year 2015).

OTHER POST-EMPLOYMENT BENEFITS⁽¹⁾

Plan Description

In addition to providing pension benefits described above, the Village provides post-employment health care and life insurance benefits ("OPEB") for retired employees through the Mundelein Group Health Plan (the "Plan"), a single-employer defined benefit plan administered by the Village.

The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village Board and can only be amended by the Village Board. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The Village does not issue a Plan financial report.

⁽¹⁾Source: The Village's fiscal year 2018 CAFR. See **APPENDIX A** hereto for the Village's 2018 CAFR.

Membership as of April 30, 2018 consisted of:

Actives eligible to retire	29
Actives not yet eligible to retire	143
Retirees	<u>31</u>
Total	203

Funding Policy. The contribution requirements of plan members and the Village are established, and may be amended by, the Village Board and are detailed in the “Plan Document and Summary Plan Description.” The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018, the Village contributed \$148,761 to the Plan.

Annual OPEB Cost and Net OPEB Obligation. The Village’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village’s net OPEB obligation to the Plan:

Annual required contribution	\$201,245
Interest on net OPEB obligation	7,525
Adjustment to the ARC	<u>(6,271)</u>
Annual OPEB Cost	202,499
Contributions made	<u>148,761</u>
Increase in the net OPEB obligation	53,738
Net OPEB obligation – beginning of year	<u>188,121</u>
Net OPEB obligation – end of year	<u>\$241,859</u>

The Village’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the last three years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2018	\$202,499	73.5%	\$241,859
2017	194,245	60.3%	188,121
2016	73,077	109.4%	111,052

Funding Policy and Progress

For fiscal year 2018, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,969,267, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,969,267. The covered payroll (annual payroll of active employees covered by the plan) was \$14,445,565, and the ratio of the UAAL to the covered payroll was 28 percent.

The following table shows the Schedule of Funding Progress for the Village’s OPEB plan for the past three years:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Active Member Covered Payroll	UAAL as % of Covered Payroll
4/30/2016	\$ 0	\$ 920,846	\$ 920,846	0.00%	\$13,884,626	6.63%
4/30/2017	0	3,696,267	3,969,267	0.00%	14,162,319	28.03%
4/30/2018	0	3,969,267	3,969,267	0.00%	14,445,565	28.48%

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	% Contributed
4/30/2016	\$ 72,290	110.6%
4/30/2017	193,505	60.6%
4/30/2018	201,245	60.6%

Actuarial Methods and Assumptions

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

In the April 30, 2018 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net administrative expenses), which is a blended rate of the expected long-term investments returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate at 13.80% initially, reduced by decrements to an ultimate rate of 5.50% ultimately. Both rates include a 3.00% inflation assumption. The actuarial value of assets was determined using market value. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018 was 30 years.

ECONOMIC PROFILE

Employment

According to the 2013-2017 American Community Survey ("ACS") conducted by the U.S. Census Bureau, Village residents have a wide variety of occupations. The following table categorizes occupations for the employed residents (16 years of age and older) for the Village, the County, and the State.

Occupational Categories

<u>Occupational Category</u>	<u>Village</u>	<u>County</u>	<u>State</u>
Management, business, science and arts.....	39.7%	42.3%	37.6%
Service occupations	16.5	15.3	17.3
Sales and office occupations.....	25.3	24.8	24.0
Natural resources, construction, and maintenance occupations.....	4.9	5.9	7.2
Production, transportation, and material moving occupations.....	<u>13.6</u>	<u>11.6</u>	<u>14.0</u>
Totals	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: U.S. Census Bureau, 2013-2017 ACS five-year estimates.

The following table categorizes the employment by industry for residents (16 years of age and older) living in the Village compared to the County and the State.

Industry Categories

Industry Category	Village	County	State
Agriculture, forestry, fishing and hunting, and mining	0.3%	0.3%	1.1%
Construction	3.4	4.9	5.2
Manufacturing	19.0	16.4	12.3
Wholesale trade	5.3	4.6	3.1
Retail trade.....	11.2	11.5	10.8
Transportation and warehousing, and utilities	3.5	3.7	6.1
Information.....	1.2	1.9	1.9
Finance, insurance, real estate, and rental and leasing	7.5	7.9	7.3
Professional, scientific, management, administrative, and waste management services.....	14.1	14.1	11.7
Educational services, health care and social assistance	18.7	19.4	22.9
Arts, entertainment, recreation, accommodation and food services	9.1	8.7	9.1
Other services (except public administration)	4.3	4.2	4.7
Public administration	<u>2.2</u>	<u>2.6</u>	<u>3.7</u>
Totals.....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: U.S. Census Bureau, 2013-2017 ACS five-year estimates.

The following table reflects the diversity of the major employers in the Village by the products manufactured or services performed and the approximate number of employees.

Representative Large Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
Medline Industries, Inc.	Medical products and garments	900
Amcor Flexibles, Inc.	Corporate headquarters, flexible polyethylene packaging for the healthcare industry	350
Ruprecht Co.	Raw and fully cooked beef and beef related products	250
Pet Factory, Inc.	Rawhide dog chews	200
MacLean-Fogg Component Solutions: Mundelein	Company headquarters, automotive fasteners	150
Larson Mfg., LLC	Company headquarters, precision sheet metal stamping	130
Carter-Hoffmann	Food service equipment	110
XPO Logistics, LLC	Local and long-distance trucking services	90
Lyndex-Nikken, Inc.	Wholesaler of machine tool accessories	90
Oldcastle APG South, Inc. - Northfield Block Div.	Divisional headquarters, concrete bricks and blocks	79

Source: 2019 Illinois Manufacturers and 2019 Services Directories.

The following table sets forth the rates of unemployment for the Village, the County, and the State for the last five years, and the most current month.

Comparative Unemployment Rates⁽¹⁾

<u>Year</u>	<u>Village</u>	<u>County</u>	<u>State</u>
2012	8.1%	8.1%	9.0%
2013	7.7	7.9	9.0
2014	6.2	6.4	7.1
2015	5.0	5.4	6.0
2016	4.9	5.2	5.8
2017	4.3	4.6	4.9
2018	4.3	4.5	4.3
2019 ⁽²⁾	3.2	3.4	3.6

⁽¹⁾Annual average unemployment rates were revised in 2018.

⁽²⁾Preliminary for May 2019.

Source: State of Illinois, Department of Employment Security, Economic Information and Analysis.

Education

The educational background of Village residents as compared to the County and the State is illustrated in the following table:

Education Levels For Persons 25 Years of Age and Older

<u>Educational Attainment</u>	<u>Village</u>	<u>County</u>	<u>State</u>
Less than 9 th Grade	6.0%	5.1%	5.2%
9 th to 12 th grade, no diploma	4.4	4.6	6.3
High school graduate (includes equivalency)	21.7	21.1	26.3
Some college, no degree	19.2	18.6	20.9
Associate degree	5.6	6.3	7.9
Bachelor's degree	26.8	25.9	20.5
Graduate or professional degree	<u>16.3</u>	<u>18.3</u>	<u>13.0</u>
	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2013-2017 ACS five-year estimates.

Housing

The U.S. Census reports that the 2013-2017 five-year estimated median home value in the Village was \$231,800 and that 75.3% of the occupied homes were owner-occupied. Selected home value data relative to values of owner-occupied housing units in the Village compared with the County and the State are as follows:

Home Values

<u>Value of Specified Owner-Occupied Units</u>	<u>Village</u>	<u>County</u>	<u>State</u>
Less than to \$50,000	1.4%	3.6%	7.3%
\$50,000 to \$99,999	2.6	8.2	15.7
\$100,000 to \$149,999	12.5	12.8	16.2
\$150,000 to \$199,999	23.0	14.5	16.2
\$200,000 to \$299,999	32.2	19.8	20.5
\$300,000 or more	<u>28.2</u>	<u>41.1</u>	<u>24.1</u>
	100.0%	100.0%	100.0%

Source: U.S. Census Bureau, 2013-2017 ACS five-year estimates.

Construction Activity

A history of building permits for all types of building in the Village for the last five calendar years, and for 2019 through April 2019, is as follows:

Building Permits

<u>Calendar Year</u>	<u>Total Value of Building Permits</u>
2014	\$10,548,752
2015	23,548,167
2016	21,682,591
2017	19,582,588
2018	16,298,589
2019*	5,672,789

*Through April 2019.

Source: The Village.

Income

The following table sets forth the distribution of household income derived from the ACS conducted by the U.S. Census Bureau for the Village compared with the County, and the State.

Household Income

<u>Household Income</u>	<u>Village</u>	<u>County</u>	<u>State</u>
Under \$15,000	3.1%	6.6%	11.1%
\$15,000 – \$24,999	8.4	6.5	9.3
\$25,000 – \$34,999	4.6	6.6	8.8
\$35,000 – \$49,999	9.1	10.5	12.3
\$50,000 – \$74,999	16.7	15.7	17.4
\$75,000 – \$99,999	16.3	12.3	12.7
\$100,000 – \$149,999	22.8	17.3	15.0
\$150,000 – \$199,999	10.8	9.8	6.5
\$200,000 or more.....	<u>8.2</u>	<u>14.6</u>	<u>6.9</u>
	100.0%	100.0%	100.0%
Medium Household Income	\$86,336	\$82,613	\$61,229

Source: U.S. Census Bureau, 2013-2017 ACS five-year estimates.

FINANCIAL INFORMATION

Budget Process

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, debt service, capital projects, and enterprise funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

Prior to April 30 of each year, the Village Administrator submits to the Board a proposed operating budget and 5 year capital improvement plan for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is reviewed in detail in open meetings by the Village Board. The budget is adopted by the Board by May 1. The legal level of budgetary control is at the fund level.

Financial Summaries

The governmental fund financial statements of the Village are reported using the current financial resources measurement focus, and the modified accrual basis of accounting, which is in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or 90 days after the end of the current fiscal year (60 days for property taxes). The following tables contain information from the audited financial statements of the Village but do not purport to be the complete audits, copies of which are available upon request from the Village. See **APPENDIX A** for a full copy of the Village’s Comprehensive Annual Financial Report for fiscal year ended April 30, 2018 (“2018 CAFR”).

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Statement of Net Position
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and Investments	\$ 9,802,775	\$ -	\$ 9,802,775
Receivables			
Property taxes	14,119,272	-	14,119,272
Accounts	235,985	1,808,839	2,044,824
Accrued interest	32,371	228	32,599
Inventories	13,103	-	13,103
Deposit - IRMA	1,236,318	201,261	1,437,579
Internal balances	176,419	(176,419)	-
Due from other governments	2,399,876	-	2,399,876
Prepaid items	120,000	80,000	200,000
Total Current Assets	28,136,119	1,913,909	30,050,028
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	50,159,600	1,876,764	52,036,364
Construction in progress	1,745,491	1,379,462	3,124,953
Buildings	24,363,129	13,484,738	37,847,867
Improvements other than buildings	60,491	21,821,645	21,882,136
Machinery, equipment and vehicles	4,472,349	1,284,971	5,757,320
Sidewalks	4,481,270	-	4,481,270
Streets, curbs and gutters	23,736,390	-	23,736,390
Traffic signals	284,587	-	284,587
Storm sewers	10,777,392	-	10,777,392
Net Capital Assets	120,080,699	39,847,580	159,928,279
Total Assets	148,216,818	41,761,489	189,978,307
Deferred Outflows of Resources			
Outflows related to pensions	13,919,693	120,331	14,040,024
Unamortized loss on refunding	638,787	-	638,787
Total Deferred Outflows of Resources	\$ 14,558,480	\$ 120,331	\$ 14,678,811

Source: The 2018 CAFR.

Statement of Net Position - Continued
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 631,076	\$ 394,841	\$ 1,025,917
Accrued payroll	456,109	51,789	507,898
Unearned grant revenue	161,248	-	161,248
Accrued interest payable	143,843	-	143,843
Refundable deposits	-	116,896	116,896
Compensated absences payable	885,673	95,166	980,839
Other liabilities	194,758	-	194,758
General obligation bonds payable, net	2,021,103	-	2,021,103
IEPA loan payable	-	172,892	172,892
Total Current Liabilities	<u>4,493,810</u>	<u>831,584</u>	<u>5,235,394</u>
Noncurrent			
Compensated absences payable	724,642	77,863	802,505
Net pension liability	49,008,734	588,098	49,596,832
Net other postemployment obligation	232,184	9,675	241,859
General obligation bonds payable, net	8,965,159	-	8,965,159
Total Noncurrent Liabilities	<u>58,930,719</u>	<u>675,636</u>	<u>59,606,355</u>
Total Liabilities	<u>63,424,529</u>	<u>1,507,220</u>	<u>64,931,749</u>
Deferred Inflows of Resources			
Inflows related to pension plans	7,658,159	718,976	8,377,135
Deferred property tax revenue	<u>14,092,930</u>	<u>-</u>	<u>14,092,930</u>
Total Deferred Outflows of Resources	<u>21,751,089</u>	<u>718,976</u>	<u>22,470,065</u>
Net Position			
Net investment in capital assets	109,733,224	39,674,688	149,407,912
Restricted			
Debt Service	249,764	-	249,764
Capital improvements	-	4,587,759	4,587,759
Public works	2,949,103	-	2,949,103
Employee benefits	78,760	-	78,760
Public safety	1,382,031	-	1,382,031
Unrestricted	<u>(36,845,316)</u>	<u>(4,606,823)</u>	<u>(41,452,139)</u>
Total Net Position	<u>\$77,599,680</u>	<u>\$39,655,624</u>	<u>\$117,255,304</u>

Source: The 2018 CAFR.

Balance Sheet
General Fund
Fiscal Years Ended April 30, 2013 through 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
ASSETS					
Cash and investments	\$10,567,143	\$ 9,775,065	\$ 7,923,329	\$ 6,005,706	\$4,212,884
Receivables					
Property taxes	8,224,833	8,033,601	8,211,221	8,325,017	8,879,167
Accounts	195,635	271,896	179,275	196,090	235,985
Accrued interest	68,350	49,737	32,923	31,497	32,371
Inventories	15,014	14,213	17,661	12,021	13,103
Due from other funds	126,753	448,120	2,421,437	3,514,538	4,891,713
Due from other governments	2,899,168	2,830,725	2,872,301	2,734,565	2,328,762
Deposit - IRMA	1,512,240	1,822,462	1,300,989	1,371,818	1,236,318
Prepaid items	390,584	366,250	255,627	202,101	120,000
Total Assets	<u>\$23,999,720</u>	<u>\$23,612,069</u>	<u>\$23,214,763</u>	<u>\$22,393,353</u>	<u>\$21,950,303</u>
LIABILITIES					
Accounts payable	\$ 512,990	\$ 375,974	\$ 658,816	\$ 480,489	\$ 549,859
Accrued payroll	854,167	964,022	394,253	531,183	415,153
Due to other funds	200,231	185,000	185,000	153,105	145,693
Total Liabilities	<u>1,567,388</u>	<u>1,524,996</u>	<u>1,238,069</u>	<u>1,164,777</u>	<u>1,110,705</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>8,251,377</u>	<u>8,057,127</u>	<u>8,224,913</u>	<u>8,344,491</u>	<u>8,879,167</u>
FUND BALANCES					
Nonspendable	1,917,838	2,202,925	1,574,277	1,585,940	1,369,421
Restricted	-	-	-	-	-
Public safety	36,886	74,395	217,985	274,237	351,239
Unassigned	12,226,231	11,752,626	11,959,519	11,023,908	10,239,771
Total Fund Balances	<u>14,180,955</u>	<u>14,029,946</u>	<u>13,751,781</u>	<u>12,884,085</u>	<u>11,960,431</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$23,999,720</u>	<u>\$23,612,069</u>	<u>\$23,241,763</u>	<u>\$22,393,353</u>	<u>\$21,950,303</u>

Source: The Village's fiscal year 2013 through 2018 CAFRs.

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Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Fiscal Years Ended April 30, 2013 through 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
Charges for services	\$ 1,868,310	\$ 1,930,946	\$ 2,449,818	\$ 2,150,506	\$ 2,143,013
Licenses and permits	538,495	750,040	895,669	825,654	1,065,261
Grants	331,682	42,576	153,611	26,010	59,746
Donations	125,806	178,904	161,199	182,702	210,672
Fines and forfeitures	741,475	725,813	713,569	741,261	802,561
Property taxes	8,114,643	8,176,076	8,008,015	8,195,063	8,334,407
Intergovernmental sales tax	4,314,782	4,629,642	4,861,999	4,858,322	4,766,262
Home-rule sales tax	3,142,711	3,337,539	3,416,774	3,315,620	3,166,965
Hotel occupancy tax	310,767	323,075	345,933	343,111	336,341
Intergovernmental income tax	3,027,068	3,042,240	3,310,567	2,936,319	2,816,942
Use tax	545,005	640,703	720,793	764,571	821,478
Telecommunication tax	1,071,036	983,645	904,337	832,609	763,659
Other taxes	119,549	39,007	41,704	50,054	47,296
Investment income	722	387,727	274,793	61,260	15,104
Miscellaneous	278,969	487,169	138,892	476,083	68,617
Total Revenues	24,531,020	25,675,102	26,397,673	25,759,145	25,418,324
EXPENDITURES					
Current					
General government	4,876,977	5,268,283	6,175,483	5,785,667	5,901,822
Public safety	14,634,407	15,113,845	15,465,694	16,061,027	16,033,184
Public works	3,989,295	3,708,983	3,724,661	3,770,147	3,805,339
Total Expenditures	23,500,679	24,091,111	25,365,838	25,616,841	25,740,345
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,030,341	1,583,991	1,031,835	142,304	(322,021)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out) ⁽¹⁾	(1,360,000) ⁽²⁾	(1,735,000) ⁽³⁾	(1,310,000) ⁽²⁾	(1,010,000) ⁽²⁾	(1,035,000) ⁽²⁾
Proceeds from capital assets	-	-	-	-	433,367
Total Other Financing Sources (Uses)	(1,360,000)	(1,735,000)	(1,310,000)	(1,010,000)	(601,633)
NET CHANGE IN FUND BALANCE	(329,659)	(151,009)	(278,165)	(867,696)	(923,654)
FUND BALANCE – Beginning	14,510,614	14,180,955	14,029,946	13,751,781	12,884,085
FUND BALANCE – Ending	\$14,180,955	\$14,029,946	\$ 13,751,781	\$12,884,085	\$11,960,431

⁽¹⁾Transfers out of the General Fund in fiscal year 2013 in the amount of \$6 million to finance the construction of a new Village Hall.

⁽²⁾Transfers out of the General Fund in fiscal years 2014, 2016, 2017, and 2018 were for equipment and vehicle purchases, partial abatement of the bond levy, and funding for grants.

⁽³⁾Transfers out of the General Fund in fiscal year 2015 were for equipment and vehicle purchases, partial abatement of the bond levy, funding for grants, and initial funding of the Archer Commons Fund.

Source: The Village's fiscal year 2013 through 2018 CAFRs.

Fiscal Year 2019 and Fiscal Year 2020 Budgets

The Village budgeted for a break-even in its General Fund for Fiscal Year 2019, with anticipated General Fund revenues of approximately \$27 million and anticipated General Fund expenditures of approximately \$26.9 million. It is anticipated there will be transfers out of the General Fund in the amount of \$835,000 in Fiscal Year 2019. For Fiscal Year 2020, the Village has a break-even budget.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its municipal bond insurance policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (Stable Outlook) by S&P, “AA+” (Stable Outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”), and “A2” (Stable Outlook) by Moody’s. Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 27, 2019, S&P announced it had affirmed AGM’s financial strength rating of “AA” (Stable Outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 21, 2018, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (Stable Outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On May 7, 2018, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (Stable Outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At March 31, 2019:

- The policyholders’ surplus of AGM was approximately \$2,523 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately \$1,054 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,848 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Commission that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the Commission on March 1, 2019); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the Commission on May 10, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the Commission's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE.**"

BOND RATING

S&P is expected to assign its credit rating of "AA" (Stable Outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, the Policy will be issued by AGM. S&P has assigned its underlying rating of "A+" (Stable Outlook) to the Bonds. Such ratings reflects only the views of such organization and explanations of the significance of such ratings may be obtained from the rating agency furnishing the same. The Village did not apply to any other rating service for a rating on the Bonds. In particular, although certain outstanding Village general obligation bonds have previously been assigned a rating by Moody's of "Aa3" (Negative Outlook), the Village has sought and received the foregoing ratings with respect to the Bonds from S&P only. Therefore, such previously assigned ratings by Moody's should not be viewed as such rating agency providing a rating on the Bonds. There is no assurance that such ratings will continue

for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing federal statutes, decisions, regulations, and rulings, interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Village with the Tax Covenants (as hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. Interest on the Bonds is not exempt from present State income taxes. See **APPENDIX B** hereto for the form of the approving opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Village will covenant not to take any action, nor fail to take any action within its power and control, with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the “Tax Covenants”). The Bond Resolutions and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Bond Resolutions if interest on the Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

Although Bond Counsel will render an opinion on the federal tax matters described above, the accrual or receipt of interest on the Bonds may otherwise affect a Bondholder’s federal income tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder’s particular tax status and the Bondholder’s other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits, and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

Amortizable Bond Premium

The initial offering prices of the Bonds maturing on December 15, 2020 through 2044 (collectively, the “Premium Bonds”) are greater than the principal amount payable at maturity or call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption, or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the State and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax exempt securities are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning treatment of Bond Premium.

Original Issue Discount

The initial offering prices of the Bonds maturing on December 15, 2049 (collectively, the “Discount Bonds”) are less than the principal amounts payable at maturity or call date. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of each maturity of the Discount Bonds (or portions thereof) as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity, or a portion thereof, is sold) (the “Issue Price for such maturity”), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity, or a portion thereof, and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bonds on the basis of the yield to maturity determined on the basis of compounding semiannually (or shorter period from the date of the original issue). Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption, or payment at maturity). Owners of the Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors as to the amount of original discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described under the caption “**TAX EXEMPTION**” above, the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisers with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their own tax advisers with regard to the other tax consequences of owning the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisers with respect to the State and local tax consequences of owning Discount Bonds. It is possible under the applicable provisions governing the determination of State and local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of the Rule adopted by the Commission under the Exchange Act. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under “**THE UNDERTAKING.**”

The Village, pursuant to issuing its General Obligation Bonds, Series 2005 (the “2005 Bonds”), entered into a prior undertaking (the “Prior Undertaking”) to disseminate its audited financial statements and certain annual financial information (together, the “Annual Report”) and to file notice of certain events with respect to the 2005 Bonds as required by the Rule. The list of events for which the Village is required to file notice includes rating changes on the 2005 Bonds.

At the time of their issuance, the 2005 Bonds were insured by Ambac Assurance Corporation (“AMBAC”) and AMBAC was rated “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”). Since that time, Moody’s issued multiple rating downgrades of AMBAC and AMBAC filed for a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York on November 8, 2010. On April 7, 2011, Moody’s withdrew its rating on AMBAC. The Village failed to file notice of the rating changes on the 2005 Bonds resulting from the rating changes on AMBAC pursuant to the Prior Undertaking and the Rule. The 2005 Bonds are no longer outstanding.

A failure by the Village to comply with the Undertaking will not constitute a default under the Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **“THE UNDERTAKING--Consequences of Failure of the Village to Provide Information”** herein. A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below), annually to the MSRB through the Electronic Municipal Market Access system (“EMMA”) in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver such information within 210 days after the last day of the Village’s fiscal year (currently, April 30), beginning with the fiscal year ended April 30, 2019. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

“Annual Financial Information” means the financial information and operating data of the type contained in the tables under the following headings and subheadings of the Official Statement:

- **“REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – Property Taxes,” “– Tax Rates,” and “– Representative Tax Rates”**
- **“DEBT STATEMENT – Debt Amortization” and “– Detailed Statement of Direct and Overlapping Bonded Indebtedness”** (as it relates to direct debt)
- **“FINANCIAL INFORMATION – Financial Summaries”**

“Audited Financial Statements” means the combined financial statements of the Village prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event, as defined below) Reportable Events disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents filed with EMMA, including financial statements and other externally prepared reports. The “Reportable Events” are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution, or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership, or similar event of the Village⁽¹⁾
- The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material
- Incurrence of a financial obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Village, any of which affects security holders, if material;⁽²⁾ and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Village, any of which reflects financial difficulties.⁽²⁾

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the

⁽¹⁾ This Reportable Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

⁽²⁾The term “financial obligation” means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Commission, a change in law, or change in the identity, nature, or status of the Village, or type of business conducted; or

- (b) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Village (such as Bond Counsel) or by approving vote of Bondholders pursuant to the terms of the Ordinance at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of an event, in addition to that which is specifically required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of an event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Ice Miller LLP, Chicago, Illinois, which has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Ice Miller LLP has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates, or any other financial or economic information in connection therewith), the bank-qualified status of the Bonds, and the description of the federal tax exemption of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Underwriter by its counsel, Burke, Warren, MacKay & Serritella, P.C., Chicago, Illinois. Ice Miller LLP, Chicago, Illinois will serve as Disclosure Counsel to the Village.

LITIGATION

There is no controversy or litigation of any nature against the Village in which it has been served, or to the knowledge of its officers, threatened, seeking to restrain or enjoin the issuance, sale, execution, or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence of the Village or any of its powers, or the use of the proceeds of the Bonds.

There is no other controversy of any nature against the Village in which it has been served, or to the knowledge of its officers, threatened, which, if successful, would materially adversely affect the operations or financial condition of the Village.

UNDERWRITING

The Underwriter has agreed to purchase the Bonds from the Village at a price of 107.350% of the principal amount thereof. The Underwriter intends to reoffer the Bonds at a price of 108.096% of the principal amount of the Bonds. The Underwriter must purchase and pay for all of the Bonds if any are purchased. The Bonds are being offered for sale at initial prices stated on the inside cover page of this Official Statement. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the Bonds at the request of any owner thereof.

MISCELLANEOUS

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Bond Counsel has not participated in the preparation of this Official Statement and will not pass on its accuracy, completeness, or sufficiency. Bond Counsel has not examined or attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto. The execution and delivery of this Official Statement by its Mayor has been duly authorized by the Village.

AUTHORIZATION

The Village will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

The Official Statement has been duly executed and delivered by the Village.

Village of Mundelein
Lake County Illinois

By: /s/ Steve Lentz

Its: Mayor

Appendix A

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended April 30, 2018

This Appendix contains the Village's Comprehensive Annual Financial Report for fiscal year ended April 30, 2018. Further information for the fiscal year ended April 30, 2018 is available from the Village upon request. The Village has not requested that the auditor, BKD, Oakbrook Terrace, Illinois, update the information contained in Appendix A, nor has the Village requested that the auditor consent to the use of the reports in this Official Statement.



Comprehensive Annual Financial Report

Year Ended April 30, 2018

Prepared by:
Finance Department
Doug Haywood, Finance Director

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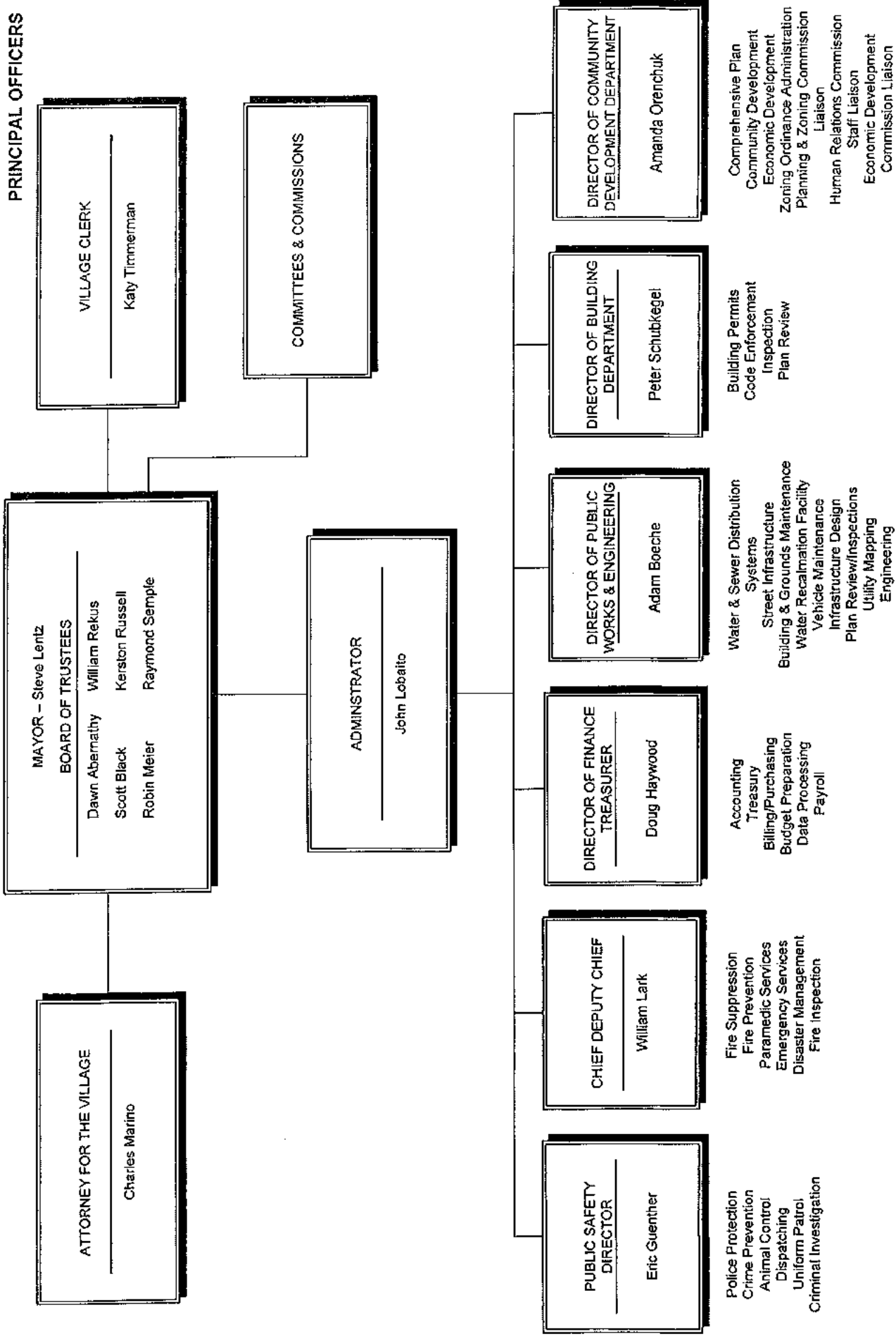
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Officers and Officials
April 30, 2018

<u>Title</u>	<u>Name</u>
Mayor	Steve Lentz
Trustee	Dawn Abernathy
Trustee	Scott Black
Trustee	Robin Meier
Trustee	Bill Rekus
Trustee	Kerston Russell
Trustee	Ray Semple
Village Clerk	Sol Cabachuela
Village Administrator	John Lobaito
Assistant Village Administrator	Peter Vadopalas
Police Chief	Eric Guenther
Fire Chief	William Lark
Director of Public Works	Adam Boeche
Building Director	Pete Schubkegel
Community Development Director	Amanda Orenchuk
Director of Finance	Doug Haywood

PRINCIPAL OFFICERS



November 9, 2018

To the President and Board of Trustees, the Citizens of
the Village of Mundelein, and all interested parties:

The Comprehensive Annual Financial Report (CAFR) of the Village of Mundelein, Illinois for the fiscal year ended April 30, 2018 is hereby submitted. The purpose of this report is to provide citizens, investors, grantor agencies and any interested parties with reliable financial information about the Village. The report has been prepared in accordance with generally accepting accounting principles (GAAP) and with standards prescribed by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association of the United States and Canada. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including disclosures, rests with the Village of Mundelein. The Village believes the report, and data contained herein, to be accurate in all material respects and that it gives an accurate representation of the financial position and results of the Village as of, and for the year ended, April 30, 2018. All disclosures regarding the Village's financial position necessary to enable the reader to understand the Village's financial activities have been included.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. These controls are designed to assure that the assets of the Village are safeguarded against any material loss, theft or misuse. These controls assure that the financial statements are in conformity with generally accepted accounting principles. Internal account controls are designed to provide reasonable, but not absolute, assurances that control objectives will be met. The concept of reasonable assurances recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

The Village of Mundelein's management discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

For financial reporting purposes, this report includes all the funds of the Village of Mundelein. The Village reports Police and Firefighters' Pension funds as blended component units. Component units are legally separate entities for which the Village is financially accountable. Other governmental entities, which are located within the Village's boundaries, are not included because they do not meet the criteria for inclusion as set forth by generally accepted accounting principles.

Economic Outlook

The economic condition of the Village is gradually improving.

A second Jewel-Osco store in the Village opened in November 2016. A Panera Bread restaurant opened in early 2017.

The Village worked with Weston Inc. to develop a site for the company's regional headquarters and a new Village Hall in downtown Mundelein. Construction of the new infrastructure and Village Hall began in fiscal 2013 with completion in June 2014. A new 65-unit apartment building in downtown was completed in the summer of 2015. Another residential 40-unit multi-family building was completed in the downtown in 2016. A subdivision of 77 single-family homes was built on the Village's southwest side in 2015-17. A 36-unit apartment building was completed in 2016 on Diamond Lake. A new subdivision of 63 single family homes on the Village's west side began building in 2018.

Major Initiatives

In the summer of 2011, the Village adopted a Comprehensive Plan giving the Village Board and planning staff a blueprint to guide future growth and development in both the private and public sectors. Also, a new Zoning Ordinance was adopted in September 2012, a complete overhaul of the current ordinance.

The Village has continued its investment in the public infrastructure. Over \$5 million in local road repairs and related improvements to the water, sanitary and storm sewer systems in the adjacent rights-of-way were spent in 2018.

During 2018, the Village was ranked as the 76th safest community in the country by *NeighborhoodScout* for municipalities with a population of 25,000 or more, based on total number of crimes per 1,000 residents.

Long Term Financial Planning

The Village Board approves a Capital Improvement Plan in conjunction with the annual adoption of the fiscal budget, which includes the projects anticipated during the next 5-year period. Projects are broken out into the following categories and include both funding sources and uses: Street Improvements, Transportation Improvements, Stormwater Improvements, Water System Improvements, Sanitary Sewer System Improvements, Operations Improvements, Vehicle and Equipment Replacement and Other. There is a total of \$85 million of projects included for the 5-year period with funding sources known of about \$55 million. The Long Term Planning process begins with the annual Board planning session each fall and works through the budget process each spring.

Other Information

Independent Audit. State statute requires an annual audit by independent certified public accountants. The firm of BKD LLP was selected by the Village to conduct the 2018 fiscal year audit. The Village did not have grants in sufficient amounts to require compliance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The auditors' opinion is included in the financial section of the report.

Award. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for fiscal year ended April 30, 2017. This was the twenty-second year that the Village has made application for, and received, this prestigious award.

In order to be awarded a Certificate of Achievement, the Village published an easily readable, and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, credit must be given to the President and Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Mundelein's Finances.

Sincerely,

John A. Lobaito
Village Administrator

Doug Haywood
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Mundelein
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morill

Executive Director/CEO

Independent Auditor's Report

The Honorable Mayor
Members of the Board of Trustees
Village of Mundelein, Illinois
Mundelein, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mundelein, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mundelein, Illinois, as of April 30, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary, pension and other postemployment benefit information on pages 4-13 and 69-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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 Mundelein, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other supplemental data, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and other supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the

The Honorable Mayor
Members of the Board of Trustees
Village of Mundelein, Illinois
Page 3

combining and individual fund statements and schedules and other supplemental data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

BKD, LLP

Oakbrook Terracc, Illinois
November 9, 2018

VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2018

The Village of Mundelein (the "Village") discussion and analysis 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 changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the appropriation), and (5) identify individual fund issues or concerns as it refers to the governmental activities' net position.

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

Financial Highlights

- * The Village's net position (see table 1) decreased by \$1.7 million during the fiscal year ending April 30, 2018 (FYE18). The governmental net position decreased by \$2.7 million from FYE17 and the business-type activities net position increased by \$1.0 million from FYE17.
- * The governmental activities revenues decreased by \$3.4 million and expenses decreased by \$1.2 million.
- * The business-type activities revenues decreased by \$0.2 million and expenses decreased by \$0.1 million.
- * The total expenses of all Village programs decreased by \$1.3 million.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 14-16) are designed to be corporate like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see page 16) is focused on both the gross and net cost of various activities (including governmental, business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, fire, public works, engineering, community development, and administration. Shared state sales, local sales and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Wastewater), where the fee for service typically covers all or most of the cost of operation, including depreciation.

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Fund Financial Statements

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

The Governmental Major Fund (see pages 17-20) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the appropriation) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or appropriation compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Fund (Police and Firefighter's Pensions, see pages 25-26). While this Fund represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Total column on the Business-type Fund Financial Statements (see pages 21-24) is the same as the Business-type column at the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 18 and 20). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Financial Analysis of the Village as a Whole

In accordance with GASB Statement No. 34, the Village has presented a comparative analysis of Government-wide information.

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

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

The Village's combined net position decreased by about \$1.7 million from FYE17. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities decreased \$2.7 million from \$80.3 to \$77.6 million. The total net position for business-type activities increased to \$39.7 million.

Table 1 reflects the condensed Statement of Net Position compared to FYE17. Table 2 will focus on the changes in net position of the governmental and business-type activities.

Table 1
Statement of Net Position
As of April 30, 2018
(In millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Current assets	31.3	28.1	4.5	1.9	35.8	30.0
Capital assets	<u>117.8</u>	<u>120.1</u>	<u>37.3</u>	<u>39.9</u>	<u>155.1</u>	<u>160.0</u>
Total assets	149.1	148.2	41.8	41.8	190.9	190.0
Deferred outflows	16.0	14.6	0.5	0.1	16.4	14.7
Current liabilities	4.9	4.5	1.7	0.9	6.6	5.4
Long-term liabilities	<u>60.5</u>	<u>58.9</u>	<u>1.8</u>	<u>0.7</u>	<u>62.2</u>	<u>59.6</u>
Total liabilities	65.4	63.4	3.5	1.6	68.9	65.0
Deferred inflows	19.4	21.8	0.1	0.7	19.5	22.5
Net position						
Net investment in capital assets	105.6	109.7	36.8	39.7	142.4	149.4
Restricted	5.7	4.7	4.5	4.5	10.2	9.2
Unrestricted	<u>-31.0</u>	<u>-36.8</u>	<u>-2.6</u>	<u>-4.6</u>	<u>-33.6</u>	<u>-41.4</u>
Total net position	80.3	77.6	38.6	39.6	118.9	117.2

For more detailed information see the Statement of Net Position (page 14 -15).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the investment in capital assets.

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

Spending of Non-borrowed Current Assets on New Capital which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase investment in capital assets.

Reduction of Capital Assets through Depreciation which will reduce capital assets and investment in capital assets.

Current Year Impacts

The Village's \$1.7 million decrease in combined net position (which is the Village's bottom line) was the result of governmental activities net position decreasing by \$2.7 million. The governmental activities total assets and deferred outflows decreased by \$2.3 million and the governmental activities total liabilities and deferred inflows increased by \$0.4 million. The change in total assets was the result of a decrease of \$3.2 million in current and other assets and a \$2.3 million increase in capital assets.

The business-type total assets increased by \$0.4 million and the business-type activities total liabilities and deferred inflows decreased \$1.4 million. Total assets changed as a result of significant capital improvements to the infrastructure of the water/sewer system and decrease in cash. Total liabilities decreased due to change in Net Pension Liability and payments made on the IEPA Loan.

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

The following chart shows the revenue and expenses of the governmental activities.

Table 2
Changes in Net Position
For the Fiscal Year Ended April 30, 2018
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
Revenues						
Program revenues:						
Charges for services	4.6	4.7	9.5	9.6	14.1	14.3
Operating grants	0.3	0.1	0.0	0.0	0.3	0.1
Capital grants	4.2	1.0	0.5	0.2	4.6	1.2
General revenues:						
Property Taxes	12.7	13.5	0.0	0.0	12.7	13.5
Other Taxes	14.2	13.6	0.0	0.0	14.2	13.6
Other	<u>0.5</u>	<u>0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>0.5</u>	<u>0.0</u>
Total revenues	<u>36.4</u>	<u>33.0</u>	<u>9.9</u>	<u>9.7</u>	<u>46.3</u>	<u>42.7</u>
Expenses						
Governmental Activities						
General Government	6.6	7.5	0.0	0.0	6.6	7.5
Public Safety	21.6	20.4	0.0	0.0	21.6	20.4
Public Works	8.2	7.4	0.0	0.0	8.2	7.4
Interest on Debt	0.5	0.4	0.0	0.0	0.5	0.4
Business Type						
Waterworks and						
Sewerage	<u>0.0</u>	<u>0.0</u>	<u>8.8</u>	<u>8.7</u>	<u>8.8</u>	<u>8.7</u>
Total expenses	<u>36.9</u>	<u>35.7</u>	<u>8.8</u>	<u>8.7</u>	<u>45.7</u>	<u>44.4</u>
Change in Net Position	<u>(0.5)</u>	<u>(2.7)</u>	<u>1.1</u>	<u>1.0</u>	<u>0.6</u>	<u>(1.7)</u>
Net Position, beginning	<u>80.8</u>	<u>80.3</u>	<u>37.6</u>	<u>38.6</u>	<u>118.4</u>	<u>118.9</u>
Net Position, ending	<u>80.3</u>	<u>77.6</u>	<u>38.6</u>	<u>39.6</u>	<u>118.9</u>	<u>117.2</u>

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

Normal Impacts

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

Revenues:

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

Increase/Decrease in Village approved rates - while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring) - certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment Income - the Village's investment portfolio is managed using a longer average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative shorter-term options.

Expenses:

Introduction of New Programs - within the functional expenditure categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent significant portions of the Village's operating cost.

Salary Increases (annual adjustments and merit) - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation while overall inflation appears to be reasonably modest; the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

Revenue:

Total revenues decreased \$3.4 million from \$36.4 million to \$33.0 million, due to a decrease in grants.

The governmental activities general revenue includes property taxes, and other taxes (sales tax, home-rule sales tax, hotel-motel tax, and state shared income tax). The Equalized Assessed Value (EAV) increased 5.3% to \$846 million.

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

Expenses:

The Village's Governmental Activities total expenses decreased by \$1.2 million from \$36.9 to \$35.7 million due to cost-reduction measures in all departments.

Business-type Activities

Revenues:

Total Business-type Activity revenues decreased from \$9.9 to \$9.7 million due to lower consumption.

Expenses:

Total Business-type activity expenses decreased from \$8.8 million to \$8.7 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

For the fiscal year ended April 30, 2018, the governmental funds reflect a combined fund balance of \$12.6 million, which is a decrease of \$3.2 million. The fund balance of the general fund decreased from \$12.9 million to \$12.0 million due to decreased state income tax funding and lower than expected sales taxes. The fund balance of the road and bridge fund decreased slightly from \$1.1 million to \$0.8 million due to increased spending on streets improvement.

General Fund Budgetary Highlights

The Village of Mundelein falls under the provisions of 65 ILCS 5/8-2-9 of the Illinois Statutes regarding annual appropriations for municipalities of less than 500,000 inhabitants. The appropriation ordinance is the corporate authority's authorization to expend sums of money deemed necessary to defray all necessary expenses and liabilities of the municipality and is approved by the Village Board annually. As such, the figures presented in this report are Village appropriations but for reporting purposes are titled budget. The appropriation ordinance is derived from and expands upon an annual operating budget approved by the Village Board. The annual operating budget is the internal document used by the Village to control day to day expenses of the Village and to plan for long-range capital infrastructure improvements. The annual operating budget plus funds on-hand are included in the appropriation totals. This Ordinance was primarily for the purpose of transferring appropriation amounts within a fund.

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

General Fund Budget Highlights

General Fund	Original Budget	FY 2018 (In Millions) Amended Budget	Actual
Revenues and Transfers			
Taxes	\$14.3	\$14.3	\$13.5
Other	12.2	12.2	12.4
Transfers	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	\$26.5	\$26.5	\$25.9
Expenditures and Transfers			
Expenditures	25.5	25.5	25.7
Transfers	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	\$26.5	\$26.5	\$26.8
Change In Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$(0.9)</u>

The General Fund actual revenues were \$0.6 million less than the original budget. The Taxes category of revenues was \$0.8 million less than the original budget while the Other category of revenues was \$0.2 million more than the original budget. Decreases in state income taxes and sales taxes accounted for the majority of the difference. Additionally fees, charges for services, and permits were higher than expected. The General Fund actual expenditures were slightly over budget due to capital spending.

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

Capital Assets

At the end of FYE18, the Village had invested \$159.9 million net of depreciation in a variety of capital assets and infrastructure, as reflected in the following schedule. See Notes to Financial Statement #5 for further detail.

Table 3
Capital Assets at Year End
Net of Depreciation
(In Millions)

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2017	2018	2017	2018	2017	2018
Land	50.2	50.2	1.9	1.9	52.0	52.0
CIP	0.2	1.7	1.9	1.4	2.0	3.1
Buildings	25.0	24.4	13.0	13.5	38.0	37.8
Land Improvements	0.1	0.1	0.0	0.0	0.1	0.1
Machinery & Equipment	4.3	4.5	1.4	1.3	5.7	5.8
Sidewalks	4.6	4.5	0.0	0.0	4.6	4.5
Streets	22.6	23.7	0.0	0.0	22.6	23.7
Traffic Signals	0.3	0.3	0.0	0.0	0.3	0.3
Storm Sewers	10.6	10.8	0.0	0.0	10.6	10.8
Water & Sanitary Sewer	<u>0.0</u>	<u>0.0</u>	<u>19.2</u>	<u>21.8</u>	<u>19.2</u>	<u>21.8</u>
	<u>117.8</u>	<u>120.1</u>	<u>37.3</u>	<u>39.8</u>	<u>155.1</u>	<u>159.9</u>

Table 4
Change in Capital Assets
(In Millions)

	Governmental	Business – Type	Total Primary
	Activities	Activities	Government
Beginning Balance	117.8	37.3	155.1
Additions			
Depreciable	4.3	4.5	8.8
Non-depreciable	0.0	0.0	0.0
CIP	1.7	1.4	3.1
Retirements			
Depreciable	0.4	0.0	0.5
Non-depreciable	0.0	0.0	0.0
CIP	0.2	1.9	2.1
Depreciation	<u>3.2</u>	<u>1.5</u>	<u>4.7</u>
Ending balance	<u>120.1</u>	<u>39.8</u>	<u>159.9</u>

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Debt Outstanding

In 1998, the Village issued General Obligation Bonds as the first in a planned three issues to fund the construction of a new fire station, new fire station headquarters and a new police station. In 1999, the Village issued General Obligation Bonds, the second and last issue, relating to the new public safety facilities. The Village authorized the refunding of the 1998 series bonds and the advanced refunding of the 1999 series bonds, which settled during FYE 2011. The 2010B General Obligation Bond issues has an outstanding balance of \$2.3 million. In December 2013, the Village issued \$3.2 million in General Obligation Refunding Bonds, Series 2013. The 2013 Bonds partially refunded the 2005 Series Bonds. The Village of Mundelein's Moody's rating increased from AA2 to AA1 with the refunding and advanced refunding issues. The Village currently owes \$4.1 million on these two bonds.

In 1998, the Village received an Illinois Environmental Protection Agency \$5.3 million loan under their revolving loan program. As of April 30, 2018 the Village owes \$0.2 million in principal. Since the loan was issued for the acquisition of capital assets for the wastewater system, it is reported as a business-type activity.

In July 2010 the Village issued \$7.1 million in Taxable General Obligation Bonds, Series 2010A. The proceeds of which were used to acquire land in the Tax Increment Financing district. In November 2017, the Village advanced refunded these bonds saving over \$0.7 million in future debt service payments.

The Village, under its home rule authority, does not have a legal debt limit. For additional information, refer to Note #6.

Economic Factors

In January 2005, the Village Board created a 99-acre Tax Increment Financing District (TIF) and authorized Tax Increment Financing for the core downtown area surrounding the commuter rail station. In July 2016, the Village amended the boundaries of the 2005 TIF and created a new downtown TIF.

The national unemployment rate-seasonally adjusted for April 2018 was 3.9%. As of April 2018, the Bureau of Labor Statistics show the unemployment rate in Illinois at 4.3%, while the unemployment rate for April 2018 for the Lake County Area was at 4.0%.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Doug Haywood, Finance Director, Village of Mundelein, 300 Plaza Circle, Mundelein, Illinois 60060.

BASIC FINANCIAL STATEMENTS

Village of Mundelein, Illinois
Statement of Net Position
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and investments	\$ 9,802,775	\$ -	\$ 9,802,775
Receivables			
Property taxes	14,119,272	-	14,119,272
Accounts	235,985	1,808,839	2,044,824
Accrued Interest	32,371	228	32,599
Inventories	13,103	-	13,103
Deposit - IRMA	1,236,318	201,261	1,437,579
Prepaid Items	120,000	80,000	200,000
Internal balances	176,419	(176,419)	-
Due from other governments	2,399,876	-	2,399,876
Total current assets	<u>28,136,119</u>	<u>1,913,909</u>	<u>30,050,028</u>
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	50,159,600	1,876,764	52,036,364
Construction in progress	1,745,491	1,379,462	3,124,953
Buildings	24,363,129	13,484,738	37,847,867
Improvements other than buildings	60,491	21,821,645	21,882,136
Machinery, equipment and vehicles	4,472,349	1,284,971	5,757,320
Sidewalks	4,481,270	-	4,481,270
Streets, curbs and gutters	23,736,390	-	23,736,390
Traffic signals	284,587	-	284,587
Storm sewers	10,777,392	-	10,777,392
Net capital assets	<u>120,080,699</u>	<u>39,847,580</u>	<u>159,928,279</u>
Total assets	<u>148,216,818</u>	<u>41,761,489</u>	<u>189,978,307</u>
Deferred Outflows of Resources			
Outflows related to Pensions	13,919,693	120,331	14,040,024
Unamortized Loss on Refunding	638,787	-	638,787
Total Deferred Outflows of Resources	<u>14,558,480</u>	<u>120,331</u>	<u>14,678,811</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Statement of Net Position - Continued
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 631,076	\$ 394,841	\$ 1,025,917
Accrued payroll	456,109	51,789	507,898
Unearned grant revenue	161,248	-	161,248
Accrued interest payable	143,843	-	143,843
Refundable deposits	-	116,896	116,896
Compensated absences payable	885,673	95,166	980,839
Other liabilities	194,758	-	194,758
General obligation bonds payable, net	2,021,103	-	2,021,103
IEPA loan payable	-	172,892	172,892
Total current liabilities	<u>4,493,810</u>	<u>831,584</u>	<u>5,325,394</u>
Noncurrent			
Compensated absences payable	724,642	77,863	802,505
Net pension liability	49,008,734	588,098	49,596,832
Net other postemployment obligation	232,184	9,675	241,859
General obligation bonds payable, net	8,965,159	-	8,965,159
Total noncurrent liabilities	<u>58,930,719</u>	<u>675,636</u>	<u>59,606,355</u>
Total liabilities	<u>63,424,529</u>	<u>1,507,220</u>	<u>64,931,749</u>
Deferred Inflows of Resources			
Inflows Related to Pensions	7,658,159	718,976	8,377,135
Deferred Property Tax Revenue	14,092,930	-	14,092,930
Total Deferred Inflows of Resources	<u>21,751,089</u>	<u>718,976</u>	<u>22,470,065</u>
Net Position			
Net Investment in Capital Assets	109,733,224	39,674,688	149,407,912
Restricted			
Debt service	249,764	-	249,764
Capital improvements	-	4,587,759	4,587,759
Public Works	2,949,103	-	2,949,103
Community Development	52,114	-	52,114
Employee benefits	78,760	-	78,760
Public safety	1,382,031	-	1,382,031
Unrestricted	<u>(36,845,316)</u>	<u>(4,606,823)</u>	<u>(41,452,139)</u>
Total net position	<u>\$ 77,599,680</u>	<u>\$ 39,655,624</u>	<u>\$ 117,255,304</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Statement of Activities
Year Ended April 30, 2018

Functions/Programs	Program Revenues			Net (Expense), Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities						
General government	\$ 7,485,857	\$ 3,002,865	\$ -	\$ -	\$ (4,482,992)	\$ -
Public safety	20,436,488	1,674,800	-	-	(18,761,688)	-
Public works	7,401,582	-	142,470	1,010,326	(6,248,786)	-
Interest expense	421,074	-	-	-	(421,074)	-
Total governmental activities	35,745,001	4,677,665	142,470	1,010,326	(29,914,540)	-
Business-type activities						
Waterworks and sewerage	8,731,120	9,596,655	-	292,425	-	1,157,960
Total	\$ 44,476,121	\$ 14,274,320	\$ 142,470	\$ 1,302,751	\$ (29,914,540)	\$ 1,157,960
General revenues						
Taxes						
Property taxes					13,497,725	-
Home rule sales tax					3,330,464	-
Hotel occupancy tax					336,341	-
911 surcharge tax					327,832	-
Telecommunications tax					763,659	-
Other taxes					47,296	-
Intergovernmental						
Sales tax					5,017,697	-
Income tax					2,816,942	-
Use tax					821,478	-
Replacement tax					146,496	-
Investment income					15,806	(128,482)
Miscellaneous					94,831	-
Total general revenues					27,216,567	(128,482)
Change in net position					(2,697,973)	1,029,478
Net position - Beginning of Year					80,297,653	38,626,146
Net position - End of Year					\$ 77,599,680	\$ 39,655,624
						\$ 117,255,304

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Balance Sheet - Governmental Funds
April 30, 2018

	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 4,212,884	\$ 769,561	\$ 4,820,330	\$ 9,802,775
Receivables				
Property taxes	8,879,167	1,654,197	3,585,908	14,119,272
Accounts	235,985	-	-	235,985
Accrued interest	32,371	-	-	32,371
Inventories	13,103	-	-	13,103
Due from other funds	4,891,713	-	145,693	5,037,406
Due from other governments	2,328,762	-	71,114	2,399,876
Deposit - IRMA	1,236,318	-	-	1,236,318
Prepaid Items	120,000	-	-	120,000
Total assets	\$ 21,950,303	\$ 2,423,758	\$ 8,623,045	\$ 32,997,106
Liabilities				
Accounts payable	\$ 549,859	\$ 13,794	\$ 67,423	\$ 631,076
Accrued payroll	415,153	-	40,956	456,109
Due to other funds	145,693	-	4,715,294	4,860,987
Unearned revenue	-	-	161,248	161,248
Other liabilities	-	-	194,758	194,758
Total liabilities	1,110,705	13,794	5,179,679	6,304,178
Deferred inflows of resources				
Unavailable revenue	8,879,167	1,654,197	3,585,908	14,119,272
Fund Balances				
Nonspendable	1,369,421	-	-	1,369,421
Restricted				
Debt service	-	-	393,607	393,607
Public Works	-	755,767	2,193,336	2,949,103
Community Development	-	-	52,114	52,114
Employee benefits	-	-	78,760	78,760
Public safety	351,239	-	1,030,792	1,382,031
Assigned for future purchases	-	-	831,031	831,031
Unassigned	10,239,771	-	(4,722,182)	5,517,589
Total fund balances	11,960,431	755,767	(142,542)	12,573,656
Total liabilities, deferred inflows of resources and fund balances	\$ 21,950,303	\$ 2,423,758	\$ 8,623,045	\$ 32,997,106

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
April 30, 2018

Total fund balances-governmental funds	\$	12,573,656
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		120,080,699
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		26,342
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Some liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred outflows of resources - pension related		13,919,693
Deferred inflows of resources - pension related		(7,658,159)
Accrued interest payable		(143,843)
Net other postemployment obligation		(232,184)
Net pension liability		(49,008,734)
General obligation bonds payable, net		(10,986,262)
Deferred amount on refunding		638,787
Compensated absences		<u>(1,610,315)</u>

Net position of governmental activities	\$	<u>77,599,680</u>
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The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended April 30, 2018

	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Charges for services	\$ 2,143,013	\$ -	\$ 2,310	\$ 2,145,323
Licenses and permits	1,065,261	-	-	1,065,261
Intergovernmental motor fuel tax	-	-	793,158	793,158
Grants	59,746	-	252,033	311,779
Donations	210,672	-	-	210,672
Fines and forfeits	802,561	-	-	802,561
Fees	-	-	494,839	494,839
Property taxes	8,334,407	1,651,098	3,512,220	13,497,725
Intergovernmental sales tax	4,766,262	-	251,435	5,017,697
Home rule sales tax	3,166,965	-	163,499	3,330,464
Hotel occupancy tax	336,341	-	-	336,341
Intergovernmental income tax	2,816,942	-	-	2,816,942
Use tax	821,478	-	-	821,478
911 surcharge tax	-	-	327,832	327,832
Replacement tax	-	-	146,496	146,496
Telecommunications tax	763,659	-	-	763,659
Other taxes	47,296	-	-	47,296
Investment income	15,104	-	702	15,806
Miscellaneous	68,617	-	-	68,617
Total revenues	25,418,324	1,651,098	5,944,524	33,013,946
Expenditures				
Current				
General government	5,901,822	-	1,225,398	7,127,220
Public safety	16,033,184	-	1,039,540	17,072,724
Public works	3,805,339	1,959,755	2,478,124	8,243,218
Pension contributions	-	-	1,891,827	1,891,827
Debt service				
Principal	-	-	1,925,000	1,925,000
Interest and fiscal charges	-	-	396,730	396,730
Bond issuance costs	-	-	94,505	94,505
Total expenditures	25,740,345	1,959,755	9,051,124	36,751,224
Excess (deficiency) of revenues over expenditures	(322,021)	(308,657)	(3,106,600)	(3,737,278)
Other financing sources (uses)				
Refunding bonds issued	-	-	5,565,000	5,565,000
Payment to Refunding Bonds Escrow	-	-	(5,997,392)	(5,997,392)
Premium on long term debt	-	-	526,897	526,897
Proceeds from capital assets	433,367	-	-	433,367
Transfer in	-	-	1,035,000	1,035,000
Transfer out	(1,035,000)	-	-	(1,035,000)
Total other financing sources (uses)	(601,633)	-	1,129,505	527,872
Net change in fund balances	(923,654)	(308,657)	(1,977,095)	(3,209,406)
Fund balances - beginning	12,884,085	1,064,424	1,834,553	15,783,062
Fund balances - ending	\$ 11,960,431	\$ 755,767	\$ (142,542)	\$ 12,573,656

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2018

Net change in fund balances-total governmental funds \$ (3,209,406)

Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate
those expenditures over the lives of the assets.

Capital Outlay	5,863,289
Depreciation	(3,211,904)
The net effect of disposals of capital assets is not recognized in the governmental fund statements	(407,153)

The issuance of long-term debt provides current financial resources,
while the repayment of debt consumes the current financial resources
of governmental funds. Also, governmental funds report the effect of
premiums and similar items when the debt is first issued,
whereas these amounts are deferred and amortized in the
Statement of Activities.

Bond Proceeds	(5,565,000)
Premium on bonds issued	(526,897)
Payment to escrow bond refunding agent	5,997,392
Principal retirement	1,925,000
Amortization of discount/premium	60,904
Amortization of deferred amount on refunding	(42,876)

Revenue in the Statement of Activities not providing current financial resources are not reported as revenues in the fund.	6,868
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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. These
activities consist of:

Decrease in deferred outflows of resources - pensions	(1,904,374)
Decrease in net pension liability	191,827
Increase in deferred inflows of resources - pensions	(1,728,984)
Increase in net other post-employment obligation	(51,588)
Decrease in accrued interest payable	52,133
Increase in compensated absences	(147,204)

Change in net position of governmental activities	\$ (2,697,973)
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The accompanying notes are an integral part of this statement.

**Village of Mundelein, Illinois
Proprietary Fund
Statement of Net Position
April 30, 2018**

	Business-Type Activities
	Waterworks and Fund
Assets and Deferred outflows of resources	
Current	
Cash and investments	\$ -
Accounts receivable	1,808,839
Accrued interest receivable	228
IRMA Deposit	201,261
Prepaid expenses	80,000
	<u>2,090,328</u>
Noncurrent	
Capital assets, net of accumulated depreciation	<u>39,847,580</u>
Total assets	<u>41,937,908</u>
Deferred outflows of resources related to pensions	<u>120,331</u>
Liabilities and Deferred inflows of resources	
Current	
Accounts payable	394,841
Accrued payroll	51,789
Due to general fund	176,419
Deposits payable	116,896
Compensated absences	95,166
IEPA loan payable	172,892
Total current liabilities	<u>1,008,003</u>
Noncurrent	
Compensated absences	77,863
Net pension liability	588,098
Net OPEB obligation	9,675
Total noncurrent liabilities	<u>675,636</u>
Total liabilities	<u>1,683,639</u>
Deferred inflows of resources related to pensions	<u>718,976</u>
Net Position	
Net investment in capital assets	39,674,688
Restricted for capital improvements	4,587,759
Unrestricted	<u>(4,606,823)</u>
Total net position	<u>\$ 39,655,624</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended April 30, 2018

	Business-Type Activities Waterworks and Sewerage Fund
Operating revenues	
Charges for services	
Water and sewer sales	\$ 9,596,655
Operating expenses	
(excluding depreciation)	7,208,663
Operating income before depreciation	2,387,992
Depreciation	<u>1,510,107</u>
Operating income	<u>877,885</u>
Nonoperating revenues and expenses	
Investment income	(128,482)
Interest expense	<u>(12,350)</u>
Total nonoperating revenues and expenses	<u>(140,832)</u>
Increase in net position before capital contributions	737,053
Capital contributions	
Expansion fees	<u>292,425</u>
Change in net position	1,029,478
Net position - Beginning of Year	<u>38,626,146</u>
Net position - ending	<u>\$ 39,655,624</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Proprietary Fund - Statement of Cash Flows
Year Ended April 30, 2018

	Business-Type Activities Waterworks and Sewerage Fund
Cash flows from operating activities	
Cash received from residents for services	9,648,866
Payments to employees	(2,821,760)
Payments to suppliers	(5,089,233)
Net cash provided by operating activities	<u>1,737,873</u>
Cash flows from non-capital and related financing activities	
Due from other funds	<u>176,419</u>
Net cash provided by non-capital and related financing activities	<u>176,419</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(4,062,087)
Cash received from residents for escrow deposits	2,050
Cash received from residents for expansion fees	292,425
Principal paid on IEPA note payable	(338,430)
Interest paid on IEPA note payable	(12,350)
Net cash used in capital and related financing activities	<u>(4,118,392)</u>
Cash flows from investing activities	
Maturity of investments	<u>(127,607)</u>
Net cash used in investing activities	<u>(127,607)</u>
Net increase in cash and equivalents	(2,331,707)
Cash and equivalents - beginning	<u>2,331,707</u>
Cash and equivalents - ending	<u>\$ -</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Proprietary Fund - Statement of Cash Flows (Continued)
Year Ended April 30, 2018

	Business-Type Activities
	Waterworks and Sewerage Fund
<hr/>	
Reconciliation of operating income to net cash provided by operating activities	
Operating Income	\$ 877,885
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,510,107
Deferred outflows of resources - IMRF	364,437
Deferred inflows of resources - IMRF	613,994
Net pension liability - IMRF	(949,643)
Changes in assets and liabilities	
Net OPEB obligation	2,150
Accounts receivable	52,210
Prepaid items	2,058
Accounts payable	(734,817)
Accrued payroll	(5,758)
Compensated absences payable	5,250
Total adjustments	859,988
Net cash provided by operating activities	\$ 1,737,873

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Pension Trust Funds and Agency Funds - Statement of Fiduciary Net Position
April 30, 2018

	Pension Trust Funds	Agency Funds
Assets		
Cash and equivalents	\$ 1,376,408	\$ 1,069,357
Investments		
U.S. government and agency obligations	7,213,224	-
Municipal bonds	347,288	-
Corporate bonds	4,778,716	-
Bond mutual funds	3,733,378	
Stock mutual funds	20,623,317	-
Common Stock	10,574,644	-
	<u>48,646,975</u>	<u>1,069,357</u>
Receivables		
Accrued interest	82,756	-
Prepays	<u>21,376</u>	<u>-</u>
Total assets	<u>48,751,107</u>	<u>1,069,357</u>
Liabilities		
Deposits payable	-	266,696
Other liabilities	<u>13,096</u>	<u>802,661</u>
Total liabilities	<u>13,096</u>	<u>1,069,357</u>
Net Position		
Restricted for pensions	<u>\$ 48,738,011</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Pension Trust Funds - Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2018

Additions	
Contributions	
Employer	\$ 2,052,852
Participants	<u>742,177</u>
	<u>2,795,029</u>
Investment income	
Net appreciation in fair value of investments	2,320,735
Investment income	1,456,675
Less investment expenses	<u>(208,273)</u>
	<u>3,569,137</u>
Total additions	<u>6,364,166</u>
 Deductions	
Administration	85,989
Pension benefits and refunds	<u>2,886,502</u>
Total deductions	<u>2,972,491</u>
 Change in net position	3,391,675
 Net position restricted for pensions - beginning	<u>45,346,336</u>
 Net position restricted for pensions - ending	<u>\$ 48,738,011</u>

The accompanying notes are an integral part of this statement.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies

The Village of Mundelein, Illinois (Village) was incorporated under a charter granted by the Illinois State Legislature in 1909. The Village is a home rule municipality which operates under the management form of municipal government as provided in Chapter 65, Article 5 of the Illinois Compiled Statutes. The Village provides many services to residents including police and fire protection, water and sewer service, planning and zoning and general administrative services.

The accounting policies of the Village of Mundelein, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

(a) Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS) (Police Pension Plan). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary, and two elected active police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a blended component unit (pension trust fund) and does not issue a separate financial report.

The Village's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS) (Firefighters' Pension Plan). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary, and two elected active firefighters constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. The FPERS is reported as a blended component unit (pension trust fund) and does not issue a separate financial report.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village. Eliminations have generally been made to minimize the double-counting of internal activities of the Village; however, interfund services provided and used are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (pension trust and agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds – the General Fund and the Road and Bridge Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has one major enterprise fund – Waterworks and Sewerage Fund.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements (continued)

Road and Bridge Fund – This fund accounts for revenues derived from a specific annual property tax levy provided for the purpose of providing funds for the maintenance and construction of roads and bridges.

The Village administers the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and developers. The Village reports two pension trust funds, the Police Pension Fund and Firefighters Pension Fund, which account for resources accumulated for retirement annuities for sworn police officers and uniformed fire department personnel. The Village reports the following agency funds; the Special Assessments Fund and the Deposits Fund. These funds hold various monies collected by the Village from property owners and developers.

(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds use the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded as a liability in governmental funds only when payment

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation (continued)

is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

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

(d) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

(e) Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

(f) Inventory and Prepaid Items

Inventories are accounted for at cost, using the last-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepays are accounted for on the consumption method.

(g) Capital Assets

Capital assets which include land, streets and bridges, buildings, storm sewers, sanitary sewers, water mains and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(g) Capital Assets (continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation recorded in the government-wide and proprietary fund financial statements and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5
Vehicles	5-15
Streets, curbs and gutters	30
Sidewalks	50
Storm and sanitary sewers and water mains	75
Traffic signals	20

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

(h) Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The Village has two items that qualify for reporting in this category, deferred outflows related to pensions and unamortized loss on refunding. Deferred outflows related to pensions represent pension items that will be recognized as pension expense or reductions in the net pension liability in future periods. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue or reduction of expense) until that time. The Village has two types of items that qualify for reporting in this category. They are inflows related to pensions and property taxes. Deferred inflows related to pensions represent pension items that will be recognized as reductions in pension expense in future periods. Deferred property taxes were levied in 2017 but will be used in Fiscal 2018-2019. Additionally, the balance sheet — governmental funds reports deferred inflows of resources for unavailable revenue.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(i) Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits upon employee retirement or termination. No governmental fund liability is recorded for unpaid accumulated sick leave other than the portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. Vacation pay time is provided to employees each January 1st that must be used within the subsequent 15 months. Failure to use vacation time within the stipulated period results in the employee forfeiting the unused portion of the vacation. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General and Waterworks and Sewerage Funds are typically used to liquidate these liabilities.

(j) Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts, as well as amounts from debt refunding transactions, are deferred and amortized over the life of the bonds using the effective interest method.

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

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

(k) Fund Equity

In the governmental fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either:

- a. not in spendable form; or
- b. legally or contractually required to be maintained intact.

Restricted fund balance is reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Committed fund balance is reported for amounts that are constrained to a specific purpose by a government itself, using its highest level of decision-making authority; for the Village, that can be

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(k) Fund Equity (continued)

adoption of a resolution prior to the end of the year. Once adopted, the limitation remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Assigned fund balances are amounts included in the Village's Capital Improvement Plan approved by the Village Board.

Unassigned fund balance is the residual classification for the General Fund or any other fund with a negative fund balance.

When committed, assigned, and unassigned amounts are available for use, it is the Village's policy to use committed resources first, then assigned resources, then unassigned resources as they are needed.

(l) Capital Contributions

Capital contributions (if any) reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers, and transfers of capital assets from governmental funds to the Waterworks and Sewerage Fund. Expansion fees are recognized as capital contributions in the proprietary fund statements.

(m) Accounting Estimates

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

(n) Interfund Transactions

The Village has the following types of transactions between funds:

Loans and advances – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Net amounts between governmental and business-type activities are reported as internal balances in the government-wide statement of net position, except for amounts between similar activities, which have been eliminated.

Services provided and used – sales and purchases of goods and services between funds are recorded at a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position. Amounts have generally been eliminated with the government-wide financial statements.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

(n) Interfund transactions (continued)

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

(o) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Village's Police, Firefighters' and IMRF pension plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Deficit Fund Balances

Deficit Fund Balances – The following funds had deficits at the end of Fiscal 2018.

Motor Fuel Tax Fund	\$371,687
Stormwater Management Fund	\$1,666,670
Tree Fund	\$598,794
Archer Business Center Fund	\$1,365,775
Tax Increment Finance Area #2 Fund	\$719,256

Note 3. Deposits and Investments

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

Statutes authorize the Village to make deposits/invest in commercial banks, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements (subject to limitations), commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. Pension

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 3. Deposits and Investments (Continued)

funds may also invest in certain non-U.S. obligations, mortgages, veterans' loans, life insurance company contracts and certain equities (subject to limitations). The Village's deposits and investments at April 30, 2018, are categorized to give an indication of the level of collateral risk assumed.

Restricted cash represents monies raised for a specific purpose that are legally restricted for spending on an item (i.e., sewer expansion fees for future sanitary pipes).

(a) Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy does not address custodial credit risk for deposits. As of April 30, 2018, the Village's carrying value of deposit accounts was \$4,204,192 and the bank balance totaled \$5,073,526, which was insured or collateralized. As of April 30, 2018, the Pension Funds' carrying value of deposit accounts was \$1,376,408 and the bank balance totaled \$1,376,408.

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 investment or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. As of April 30, 2018, the Village was not exposed to custodial credit risk for its investments.

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy requires diversifying investments to avoid incurring unreasonable risk.

As of April 30, 2018, the Village and pension funds had the following investments subject to interest rate risk and their maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6 - 10	More Than 10
U.S. Treasury securities	\$ 12,035,154	\$ 300,449	\$ 9,101,647	\$ 2,303,135	\$ 329,923
GNMA securities	16,245	-	-	147	16,098
U.S. Government agencies - other	1,815,995	-	766,516	252,828	796,651
Municipal bonds	347,288	60,084	149,796	52,085	85,323
Corporate bonds	4,778,716	437,230	2,502,758	1,415,627	423,102
Total	\$ 18,993,398	\$ 797,763	\$ 12,520,717	\$ 4,023,822	\$ 1,651,097
<u>Not Subject to Interest Rate Risk</u>					
Mutual Funds	\$ 24,356,695				
Common Stock	10,574,644				
Illinois Funds Investment Pool*	13,770				
	\$ 34,945,109				

* Weighted average maturity is less than one year.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 3. Deposits and Investments (Continued)

(c) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs.

The investments in money markets were rated AAA by Standard & Poor's rating service. The investments in municipal and corporate bonds were rated AA to BBB- by Standard & Poor's rating service. The investments in U.S. Treasuries were rated AAA and U.S. Agencies were rated AA+ by Standard & Poor's rating service. The investments in Illinois Funds were rated AAAM by Standard & Poor's rating service.

(d) Concentration of Credit Risk. The Village places no limit on the amount the Village may invest in any one issuer, however, the Village did not have more than 5 percent of the Village's investments with any one issuer.

(e) Other Information. The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net position for both the Village and Fiduciary funds measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2018:

Level 1 includes quoted prices in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2 includes inputs other than quoted prices included with Level 1, which are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 includes unobservable inputs for an asset or liability. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 3. Deposits and Investments (Continued)

	Total	Level 1	Level 2	Level 3
US Treasury	\$ 12,035,154	\$ 12,035,154		
US Agency	1,832,240		\$ 1,832,240	
Municipal Bonds	347,288		347,288	
Corporate Bonds	4,778,716		4,778,716	
Mutual Fund - Equity	20,623,317	20,623,317		
Mutual Fund - Fixed Income	3,733,378	3,733,378	-	
Equity	10,574,644	10,574,644		
	<u>\$ 53,924,737</u>	<u>\$ 46,966,493</u>	<u>\$ 6,958,244</u>	<u>-</u>

Note 4. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about May and August, and are payable in two installments which are due on or about June 1 and September 1.

Property taxes are billed, collected and remitted periodically by the County Treasurer of Lake County, Illinois. Since the 2017 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2018, the 2017 property tax levy is deferred (unavailable) as of year-end.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 5. Capital Assets

(a) Governmental Activities

A summary of changes in capital assets for governmental activities of the Village for the year ended April 30, 2018, is as follows:

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 50,159,600	\$ -	\$ -	\$ 50,159,600
Construction in progress	166,218	1,745,491	166,218	1,745,491
	<u>50,325,818</u>	<u>1,745,491</u>	<u>166,218</u>	<u>51,905,091</u>
Capital assets being depreciated:				
Buildings	31,677,994	-	-	31,677,994
Land improvements	2,595,717	-	-	2,595,717
Machinery and equipment	10,041,923	1,348,665	547,998	10,842,590
Sidewalks	7,712,124	-	-	7,712,124
Streets, curbs and gutters	47,057,447	2,529,894	-	49,587,341
Traffic signals	611,324	-	-	611,324
Storm sewers	15,543,917	405,457	-	15,949,374
	<u>115,240,446</u>	<u>4,284,016</u>	<u>547,998</u>	<u>118,976,464</u>
Less accumulated depreciation for:				
Buildings	6,683,436	631,429	-	7,314,865
Land improvements	2,476,874	58,352	-	2,535,226
Machinery and equipment	5,742,130	768,956	140,845	6,370,241
Sidewalks	3,083,763	147,091	-	3,230,854
Streets, curbs and gutters	24,460,224	1,390,727	-	25,850,951
Traffic signals	311,695	15,042	-	326,737
Storm sewers	4,971,675	200,307	-	5,171,982
	<u>47,729,797</u>	<u>3,211,904</u>	<u>140,845</u>	<u>50,800,856</u>
Total capital assets being depreciated, net	<u>67,510,649</u>	<u>1,072,112</u>	<u>407,153</u>	<u>68,175,608</u>
Governmental activities capital assets, net	<u>\$ 117,836,467</u>	<u>\$ 2,817,603</u>	<u>\$ 573,371</u>	<u>\$ 120,080,699</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 5. Capital Assets (Continued)

(b) Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2018, is as follows:

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,876,764	\$ -	\$ -	\$ 1,876,764
Construction in progress	1,851,426	1,379,462	1,851,426	1,379,462
	<u>3,728,190</u>	<u>1,379,462</u>	<u>1,851,426</u>	<u>3,256,226</u>
Capital assets being depreciated:				
Buildings	21,087,304	947,495	-	22,034,799
Improvements other than buildings including Water/Sewer system	47,819,002	3,400,493	-	51,219,495
Machinery, equipment and vehicles	4,326,890	186,063	-	4,512,953
	<u>73,233,196</u>	<u>4,534,051</u>	<u>-</u>	<u>77,767,247</u>
Less accumulated depreciation for:				
Buildings	8,131,285	418,776	-	8,550,061
Improvements other than buildings including Water/Sewer system	28,589,354	808,496	-	29,397,850
Machinery, equipment and vehicles	2,945,147	282,835	-	3,227,982
	<u>39,665,786</u>	<u>1,510,107</u>	<u>-</u>	<u>41,175,893</u>
Total capital assets being depreciated, net	<u>33,567,410</u>	<u>3,023,944</u>	<u>-</u>	<u>36,591,354</u>
Business-type activities capital assets, net	<u>\$ 37,295,600</u>	<u>\$ 4,403,406</u>	<u>\$ 1,851,426</u>	<u>\$ 39,847,580</u>

(c) Depreciation Charged to Functions / Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 296,123	\$ -
Public safety	733,386	-
Public works	2,182,395	1,510,107
	<u>\$ 3,211,904</u>	<u>\$ 1,510,107</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 6. Long-Term Obligations

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, Illinois Environmental Protection Agency (IEPA) loans have been utilized to finance major sewer improvement/construction projects.

(a) Governmental Activities

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2018:

	Balance May 1	Increases	Decreases	Balance April 30	Due Within One Year
Compensated absences	\$ 1,463,111	\$ 951,915	\$ 804,711	\$ 1,610,315	\$ 885,673
Net pension liability	49,200,561	-	191,827	49,008,734	-
Net OPEB obligations	180,596	51,588	-	232,184	-
General obligation bonds	12,135,000	5,565,000	7,370,000	10,330,000	1,940,000
Premium on bonds	198,382	526,897	69,017	656,262	81,103
Total	\$ 63,177,650	\$ 7,095,400	\$ 8,435,555	\$ 61,837,495	\$ 2,906,776

The general fund is used to liquidate the OPEB obligations. Compensated balances and net pension liability are primarily funded by the general fund.

(b) Business-Type Activities

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year ended April 30, 2018:

	Balance May 1	Increases	Decreases	Balance April 30	Due Within One Year
Compensated absences	\$ 167,779	\$ 97,528	\$ 92,278	\$ 173,029	\$ 95,166
Net Pension Liability	1,537,741	-	949,643	588,098	-
Net OPEB obligations	7,525	2,150	-	9,675	-
IEPA loan payable	511,322	-	338,430	172,892	172,892
Total	\$ 2,224,367	\$ 99,678	\$ 1,380,351	\$ 943,694	\$ 268,058

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 6. Long-Term Obligations (Continued)

(c) Changes in Long-Term Obligations

Long-term obligations outstanding of the Village are as follows:

Issue	Fund Debt Retired By	Balance May 1	Issuances	Retirements	Balances April 30	Due Within one year
General Obligation Bonds						
General Obligation Bond Series of 2010A due in annual installments of \$310,000 to \$645,000 through December 15, 2030 plus interest at 3% to 6% (partially refunded in 2017)	TIF #2 Fund	6,475,000	-	5,775,000	700,000	345,000
General Obligation Refunding Bond Series of 2010B due in annual installments of \$625,000 to \$1,175,000 through December 1, 2019 plus interest at 2% to 3.25%	Debt Service Fund	3,410,000	-	1,100,000	2,310,000	1,135,000
General Obligation Refunding Bond Series of 2013 due in annual installments of \$155,000 to \$480,000 through December 15, 2021 plus interest at 3% to 4%	Debt Service Fund	2,250,000	-	425,000	1,825,000	435,000
General Obligation Refunding Bond Series of 2017 due in annual installments of \$25,000 to \$605,000 through December 15, 2030 plus interest at 2% to 4%	TIF #2 Fund	-	5,565,000	70,000	5,495,000	25,000
Total General Obligation Bonds		<u>\$12,135,000</u>	<u>\$5,565,000</u>	<u>\$ 7,370,000</u>	<u>\$10,330,000</u>	<u>\$1,940,000</u>
Notes Payable						
IEPA Note payable due in annual installments of \$350,780 including interest at 2.89%, through October 1, 2018	Waterworks and Sewerage	\$ 511,322	\$ -	\$ 338,430	\$ 172,892	\$ 172,892

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 6. Long-Term Obligations (Continued)

(d) Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental		Business-Type	
	General Obligation Bonds		IEPA Note Payable	
	Principal	Interest	Principal	Interest
2019	1,940,000	383,582	172,892	2,498
2020	2,010,000	320,456	-	-
2021	865,000	251,750	-	-
2022	895,000	221,200	-	-
2023	430,000	189,550	-	-
2024-2028	2,440,000	665,900	-	-
2029-2031	1,750,000	141,800	-	-
Totals	<u>\$ 10,330,000</u>	<u>\$ 2,174,238</u>	<u>\$ 172,892</u>	<u>\$ 2,498</u>

(e) Refunding

On November 9, 2017, the Village issued \$5,565,000 in General Obligation Refunding Bonds, Series 2017 with interest rates of 2.0-5.0 percent to advance refund \$5,445,000 of outstanding 2010A Series bonds with interest rates of 4.875-6.00 percent. The 2010A Series bonds were originally issued at face value of \$7,100,000 and had a remaining balance of \$6,475,000 at the time of refunding. The net proceeds of \$5,996,641 (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010A Series bonds. As a result, portion of the 2010A Series bonds are considered to be defeased and the liability for those bonds has been removed from the Village's financial statements.

Although the advance refunding resulted in the recognition of accounting loss of \$544,279 for the year ended April 30, 2018, the Village in effect reduced its aggregate debt service payments by \$767,413 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$655,127.

Note 7. Defined Benefit Pension Plans

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit pension plan; the Police Pension Plan, which is a single-employer defined benefit pension plan and the Firefighters' Pension Plan, which is also a single-employer defined benefit pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans do not issue separate financial reports on the pension plans. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained on-line at www.imrf.org.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

The aggregate totals for all pension items for the three plans are as follows. Allocations between governmental and business-type activities are based on covered payroll.

	Governmental Activities	Business-type Activities *	Total Village
Deferred Outflows of Resources			
Police	\$ 7,512,426	\$ -	\$ 7,512,426
Fire	\$ 5,954,594	\$ -	\$ 5,954,594
IMRF	\$ 452,673	\$ 120,331	\$ 573,004
	<u>\$ 13,919,693</u>	<u>\$ 120,331</u>	<u>\$ 14,040,024</u>
Deferred Inflows of Resources			
Police	\$ 3,718,581	\$ -	\$ 3,718,581
Fire	\$ 1,234,860	\$ -	\$ 1,234,860
IMRF	\$ 2,704,718	\$ 718,976	\$ 3,423,694
	<u>\$ 7,658,159</u>	<u>\$ 718,976</u>	<u>\$ 8,377,135</u>
Net Pension Liability			
Police	\$ 32,577,783	\$ -	\$ 32,577,783
Fire	\$ 14,218,581	\$ -	\$ 14,218,581
IMRF	\$ 2,212,370	\$ 588,098	\$ 2,800,468
	<u>\$ 49,008,734</u>	<u>\$ 588,098</u>	<u>\$ 49,596,832</u>
Pension Expense			
Police	\$ 3,427,226	\$ -	\$ 3,427,226
Fire	\$ 1,958,862	\$ -	\$ 1,958,862
IMRF	\$ 927,194	\$ 228,284	\$ 1,155,478
	<u>\$ 6,313,282</u>	<u>\$ 228,284</u>	<u>\$ 6,541,566</u>

* Same amounts reported for proprietary fund

(a) Illinois Municipal Retirement System

Plan Description

The Village's defined benefit pension plan for regular employees (other than those covered by the Police or Firefighters' Pension Plans) provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from 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 financial report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

All employees 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

**Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018**

Note 7. Defined Benefit Pension Plans (Continued)

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 to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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% each year thereafter to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of: 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2017, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	88
Terminated employees entitled to but not yet receiving benefits	70
Current employees	<u>99</u>
Total	<u>257</u>

As set by statute, employer regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2017 was 12.43 percent of annual covered payroll and 12.55 percent for calendar year 2018. For the year ended April 30, 2018, the Village contributed \$1,018,394 to the plan. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	36%	6.85%
International equities	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternatives	7%	2.65%-7.35%
Cash equivalents	1%	2.25%

Net Pension Liability. The Village's net pension liability at April 30, 2018, was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2018, is \$2,800,468.

Actuarial Assumptions. The Village's net pension liability as of April 30, 2018 was measured at December 31, 2017 and the total pension liability for IMRF was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.50%
Salary increases	3.39% to 14.25%, including inflation
Price inflation	2.50%

Retirement age is based on Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 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 adjustments 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.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

Discount Rate

A single discount rate (SDR) of 7.50% (same in prior year) was used to measure the total pension liability. The projection of cash flows used to determine the SDR 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability. The Village's changes in net pension liability for the fiscal year ended April 30, 2018 were as follows:

	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances – beginning of year	\$46,993,566	\$39,670,984	\$7,322,582
Service cost	831,213	-	831,213
Interest on total pension liability	3,481,926	-	3,481,926
Differences between expected and actual experience of the total pension liability	65,720	-	65,720
Change of assumptions	(1,485,982)	-	(1,485,982)
Benefit payments, including refunds of employee contributions	(1,966,998)	(1,966,998)	-
Contributions – employer	-	994,735	(994,735)
Contributions – employee	-	364,609	(364,609)
Net investment income	-	6,816,040	(6,816,040)
Other (net transfer)	-	(760,393)	760,393
Net Changes	925,879	5,447,993	(4,522,114)
Balances – end of year	<u>\$47,919,445</u>	<u>\$45,118,977</u>	<u>\$2,800,468</u>

Discount rate sensitivity. The following is a sensitivity analysis of the Village's net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the Village calculated using the discount rate of 7.50% as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Village's net pension liability (asset)	<u>\$9,198,411</u>	<u>\$ 2,800,468</u>	<u>(\$2,444,669)</u>

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in a separately issued Schedule of Changes in Fiduciary Net Position by Employer.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended April 30, 2018, the Village recognized pension expense of \$1,155,478. The Village reported deferred outflows and inflows of resources as of April 30, 2018 related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 191,991	\$256,787
Change of Assumptions	21,236	1,231,847
Net difference between projected and actual earnings on pension plan investments		<u>1,935,060</u>
Total Deferred Amounts to be Recognized In Pension Expense in Future Periods	213,227	3,423,694
Pension Contributions Made Subsequent to the Measurement Date	<u>359,777</u>	<u>0</u>
Total	<u>\$573,004</u>	<u>\$3,423,694</u>

The amounts reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending April 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$3,210,467) will be recognized in pension expense as follows:

Year Ending	
April 30,	
2019	\$629,423
2020	591,902
2021	1,023,426
2022	<u>965,716</u>
Total	<u>\$3,210,467</u>

(b) Police Pension

Plan Description and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40—Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The Police Pension Plan membership consisted of:	2017	2018
Retirees and beneficiaries currently receiving benefits	34	34
Retirees and beneficiaries entitled to but not yet receiving benefit:	2	2
Current employees		
Vested	37	38
Nonvested	17	16
Total	<u>90</u>	<u>90</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or 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 held 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 benefit. The monthly pension of a police officer who retired with 20 or more years of service after July 1, 1993 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the pension payable including increases previously granted.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years may retire at age 50 and receive a reduced benefit (i.e., 1/3% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or one-half of the change in the Consumer Price Index for the preceding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, is increased annually, following the first anniversary date of retirement and will be paid upon reaching the age of at least 55 years, by 3% of the amount of the pension payable at the time of the increase.

Contributions

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 plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where 90% of the past service cost for the Police Pension Plan is funded by the year 2040.

Village contributions to the Plan for the year ended April 30, 2018, were \$1,436,044.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

Investment Policy. The deposits and Investments of the Police Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America: obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America: bonds, notes, debentures or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government: State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurers Investment Pool), or by banks, their subsidiaries or holding companies. In accordance with the laws of the State of Illinois: bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions provided the investment in separate accounts and mutual funds does not exceed 10% of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to 45% of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to 45% of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor may invest up to 55% of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2012. The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	4.2%	3.4%
US Large Growth	17.5%	9.2%
US Large Value	15.1%	9.2%
US Mid Core	10.6%	9.8%
US Small Core	3.4%	10.3%
International Equities, Developed	12.0%	8.8%
Emerging Markets	4.7%	11.4%
US Short Term Investment Grade Bonds	13.0%	3.6%
US Investment Grade Bonds	19.5%	4.8%

The long-term expected rate of return of 7.0% on the Fund's Investments was determined using an asset allocation study conducted by the Fund's investment management consultant in July 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.8 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability. The Village's net pension liability was measured as of April 30, 2018, 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 Village's total pension liability in the actuarial valuation performed as of April 30, 2018, was determined using the following actuarial methods and assumptions.

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.0%
Inflation	2.5%
Salary increases	3.75% to 7.10%, including inflation
Projected increase in total payroll	3.5%

The discount rate used to measure the total pension liability was 5.90% (6.06% in the prior year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2059. Accordingly, the discount rate reflects the use of the long-term expected rate of return of 7.0% through 2059 and the use of a high quality 20-year tax-exempt G.O. bond rate of 3.97% for all remaining years.

The Village's change in net pension liability for the year ended April 30, 2018 was as follows:

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - beginning of year	\$57,417,741	\$26,408,666	31,009,075
Service cost	1,517,547	-	1,517,547
Interest on total pension liability	3,422,071	-	3,422,071
Differences between expected and actual experience of the total pension liability	69,000	-	69,000
Change of assumptions	825,139	-	825,139
Benefit payments, including refunds of employee contributions	(1,895,829)	(1,895,829)	-
Contributions -- employer	-	1,436,044	(1,436,044)
Contributions -- employee	-	507,505	(507,505)
Contributions -- other	-	2,256	(2,256)
Net investment income	-	2,366,652	(2,366,652)
Administrative expense	-	(47,408)	47,408
Other (net transfer)	-	-	-
Net Changes	<u>3,937,928</u>	<u>2,369,220</u>	<u>1,568,708</u>
Balances - end of year	<u>61,355,669</u>	<u>28,777,886</u>	<u>32,577,783</u>

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.90% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.90%) or 1 percentage point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
Net Pension Liability	\$43,425,475	\$32,577,783	\$ 23,993,024

For the year ended April 30, 2018, the Village recognized pension expense of \$3,427,226. The Village reported deferred outflows and inflows of resources as of April 30, 2018 related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 374,646	\$ 437,230
Changes of Assumptions	7,137,780	3,126,817
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	154,534
Total	<u>\$ 7,512,426</u>	<u>\$ 3,718,581</u>

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

**Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018**

Note 7. Defined Benefit Pension Plans (Continued)

Year Ending April 30,	
2019	\$798,655
2020	798,654
2021	514,782
2022	617,423
2023	721,012
thereafter	<u>343,319</u>
Total	<u>\$3,793,845</u>

(c) Firefighters' Pension

Plan Description

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or 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 held on the last day of service. 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 to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement, and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (*i.e.*, 1/2% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of the final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive 12% of the final salary. The maximum

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

The Firefighters' Pension Plan membership consisted of April 30:

	2017	2018
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	1	1
Active Plan Members	24	24
Total	<u>37</u>	<u>37</u>

Contributions

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village's contributions must accumulate to the point where 90% of the past service cost for the Firefighters' Pension Plan is funded by the year 2040. Administrative expenses are generally paid from plan assets.

Village contributions to the Plan for the year ended April 30, 2018, were \$616,808.

Investment Policy

The deposits and investments of the Fire Fighter's Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies. In accordance with the laws of the State of Illinois: bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed 10% of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to 45% of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

appointed an investment advisor, may invest up to 45% of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2012.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold. Illinois Funds was rated AAAM by Standard & Poor's Investors Service.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Ultra-Short Fixed Income	2.7%	3.4%
US Fixed Income	34.7%	4.9%
US Large Cap Growth Equity	17.0%	10.4%
US Large Cap Value Equity	18.0%	10.1%
US Mid Cap Growth Equity	8.4%	11.6%
US Small Cap Value Equity	6.5%	11.7%
Europe Equity	7.3%	8.7%
Japan Equity	2.5%	9.4%
Equity Return Assets	2.9%	7.6%

The long-term expected rate of return on the Fund's investments of 7.0% was determined using an asset allocation study conducted by the Fund's investment management consultant in March 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were 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. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2018 are listed in the table above.

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Pension Fund assumes any callable securities will not be called.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Pension Fund's investment policy, the Pension Fund limits its 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 Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

Net Pension Liability. The Village's net pension liability was measured as of April 30, 2018, 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 actuarial valuation performed as of April 30, 2018, was determined using the following actuarial methods and assumptions.

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return	7.0%
Inflation	2.5%
Salary increases	4.00% to 6.70%, including inflation
Projected increase in total payroll	3.5%

The discount rate used to measure the total pension liability was 5.98% (6.22% in the prior year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2060. Accordingly, the discount rate reflects the use of the long-term expected rate of return of 7.0% through 2058 and the use of a high quality 20-year tax-exempt G.O. bond rate of 3.97% for all remaining years.

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - beginning of year	\$31,344,315	\$18,937,670	12,406,645
Service cost	736,113	-	736,113
Interest on total pension liability	1,918,806	-	1,918,806
Differences between expected and actual experience of the total pension liability	(10,210)	-	(10,210)
Change of assumptions	1,180,355	-	1,180,355
Benefit payments, including refunds of employee contributions	(990,673)	(990,673)	-
Contributions – employer	-	616,808	(616,808)
Contributions – employee	-	227,416	(227,416)
Contributions – other	-	5,000	(5,000)
Net investment income	-	1,202,485	(1,202,485)
Administrative expense	-	(38,581)	38,581
Net Changes	2,834,391	1,022,455	1,811,936
Balances - end of year	34,178,706	19,960,125	14,218,581

The following is a sensitivity analysis of the Village's net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.98%

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.98%) or 1 percentage point higher (6.98%) than the current rate:

	1% Decrease (4.98%)	Current Discount Rate (5.98%)	1% Increase (6.98%)
Village's net Pension Liability	\$19,868,274	\$14,218,581	\$9,669,309

For the year ended April 30, 2018, the Village recognized pension expense of \$1,958,862. As of April 30, 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	\$ 797,813	\$ 9,053
Changes of Assumptions	4,841,456	1,225,807
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	315,325	-
Total	<u>\$ 5,954,594</u>	<u>\$ 1,234,860</u>

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

Year Ending April 30,	
2019	817,113
2020	817,111
2021	571,032
2022	661,133
2023	637,766
thereafter	<u>1,215,579</u>
Total	<u>\$4,719,734</u>

Significant Investments

It is the policy of the Police Pension and Firefighters' Pension Funds to diversify their investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over-concentration in a security, maturity, issuer or class of securities. According to the Pension Funds' investment policy, the Pension Funds will diversify their investments by security type and institution. At April 30, 2018, the Police Pension and Firefighters' Pension Funds' investments (other than U.S. Government and U.S. Government-guaranteed obligations) do not include any investments with which represents 5% or more of each plan's net position.

Summary of Significant Accounting Policies and Plan Asset Matters

Police Pension and Firefighters' Pension

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Under this method, additions to net position are recorded when earned and deductions from net position are recorded

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

when the time related liabilities\deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions 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.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. There are no securities of the employer or any other related parties included in plan assets, including any loans.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

(d) Pension Fund Financial Statements

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments			
Cash and equivalents	\$ 824,430	\$ 551,978	\$ 1,376,408
Investments			
U.S. government and agency obligations	5,902,931	1,310,293	7,213,224
Municipal bonds	119,563	227,725	347,288
Corporate bonds	3,158,525	1,620,191	4,778,716
Bond Mutual Funds	-	3,733,378	3,733,378
Stock Mutual funds	8,132,834	12,490,483	20,623,317
Common stock	10,574,644	-	10,574,644
	<u>28,712,927</u>	<u>19,934,048</u>	<u>48,646,975</u>
Receivables			
Accrued interest	53,220	29,536	82,756
Prepays	<u>18,883</u>	<u>2,493</u>	<u>21,376</u>
Total Assets	<u>28,785,030</u>	<u>19,966,077</u>	<u>48,751,107</u>
Liabilities			
Accounts Payable	<u>7,144</u>	<u>5,952</u>	<u>13,096</u>
Net Position			
Restricted for pensions	<u>\$ 28,777,886</u>	<u>\$ 19,960,125</u>	<u>\$ 48,738,011</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 7. Defined Benefit Pension Plans (Continued)

(e) Pension Fund Financial Statements

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions			
Employer	\$ 1,436,044	\$ 616,808	\$ 2,052,852
Participants	<u>509,761</u>	<u>232,416</u>	<u>742,177</u>
	<u>1,945,805</u>	<u>849,224</u>	<u>2,795,029</u>
Investment income			
Net appreciation in fair value of investments	1,788,683	532,052	2,320,735
Investment income	736,904	719,771	1,456,675
Less investment expenses	<u>(158,935)</u>	<u>(49,338)</u>	<u>(208,273)</u>
	<u>2,366,652</u>	<u>1,202,485</u>	<u>3,569,137</u>
Total additions	<u>4,312,457</u>	<u>2,051,709</u>	<u>6,364,166</u>
Deductions			
Administration	47,408	38,581	85,989
Pension benefits and refunds	<u>1,895,829</u>	<u>990,673</u>	<u>2,886,502</u>
Total deductions	<u>1,943,237</u>	<u>1,029,254</u>	<u>2,972,491</u>
Change in net position	2,369,220	1,022,455	3,391,675
Net position restricted for pensions - beginning	<u>26,408,666</u>	<u>18,937,670</u>	<u>45,346,336</u>
Net position restricted for pensions - ending	<u>\$ 28,777,886</u>	<u>\$ 19,960,125</u>	<u>\$ 48,738,011</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 8. Other Postemployment Benefits (OPEB)

Plan Description

In addition to providing the pension benefits described in Note 7, the Village provides postemployment health care benefits (OPEB) for retired employees. The Village of Mundelein Group Health Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Village. The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village Board and can only be amended by the Village Board. The Plan is not accounted for as a trust fund and an Irrevocable trust has not been established. The Village does not issue a Plan financial report.

Membership

Actives eligible to retire	29
Actives not yet eligible to retire	143
Retirees	<u>31</u>
Total	203

Funding Policy

The contribution requirements of plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document and Summary Plan Description." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018, the Village contributed \$148,761 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the Plan:

Annual required contribution (ARC)	\$ 201,245
Interest on net OPEB obligation	7,525
Adjustment to annual required contribution	<u>(6,271)</u>
Annual OPEB cost	202,499
Contribution made	<u>148,761</u>
Increase in net OPEB obligation	53,738
Net OPEB obligation beginning of year	<u>188,121</u>
Net OPEB obligation end of year	<u><u>\$ 241,859</u></u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 8. Other Postemployment Benefits (OPEB) (Continued)

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2018	\$ 202,499	73.5%	\$ 241,859
4/30/2017	194,245	60.3%	188,121
4/30/2016	73,077	109.4%	111,052

Funded Status and Funding Progress

For fiscal year 2018, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,969,267, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$3,969,267. The covered payroll (annual payroll of active employees covered by the plan) was \$14,445,565, and the ratio of the UAAL to the covered payroll was 28 percent.

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

Actuarial Methods and Assumptions

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

In the April 30, 2018 actuarial valuation (most recent available), the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 13.80 percent initially, reduced by decrements to an ultimate rate of 5.5 percent ultimately. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2018, was 30 years.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 9. Interfund Activity

Due To/From Other Funds

The composition of interfund balances as of April 30, 2018, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Motor Fuel Tax Fund	\$ 447,820
General Fund	Stormwater Management Fund	1,662,796
General Fund	Tree Fund	589,559
General Fund	Archer Business Center Fund	1,305,592
General Fund	Tax Increment Area Finance Fund #2	709,527
General Fund	Water/Sewer Fund	176,419
Tax Rebate Fund	General Fund	145,693

The Interfund receivables in the general fund represent pooled cash overdrafts in the applicable special revenue funds. The \$145,693 Interfund balance represents sales tax collected by the General Fund from the Mundelein Crossing incentive agreement which is due to the Tax Rebate Fund.

For interfund fund transfers, \$125,000 was transferred to the Revolving Loan/Grants Fund for these two programs to assist in the rehabilitation of private property. \$700,000 was transferred from the general fund to the equipment replacement fund for major capital equipment purchases. Also, the General Fund subsidized \$210,000 for debt service on its 2005 debt issuance.

Transfers In/Transfers Out

<u>Receiving Fund/Disbursing Fund</u>	<u>Detail</u>	<u>Amount</u>
Revolving Loan/Grants Fund		
General Fund	Funding for grants	125,000
Equipment Replacement Fund		
General Fund	Fund vehicles/major equipment	700,000
Debt Service Fund		
General Fund	Partial abatement of debt tax levy	210,000
		<u>\$ 1,035,000</u>

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 10. Contingent Liabilities

(a) Litigation

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position of the Village.

(b) Grants

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

(c) Central Lake County Joint Action Water Agency (CLCJAWA)

The Village's water supply agreement with the Central Lake County Joint Action Water Agency (CLC-JAWA) provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

(d) Solid Waste Agency of Lake County (SWALCO)

The Village's contract with the Solid Waste Agency of Lake County provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

(e) Developer Financing Agreements

The Village has three sales tax incentive and an incremental property tax incentive agreements, under which the Village has agreed to reimburse local businesses and developers a portion of the Village's home rule sales tax revenues generated by the business and the incremental property tax generated by the property development. According to 65 ILCS 5/8-11-20 the Village may enter into an economic incentive agreement relating to the development or redevelopment of land within the corporate limits of the municipality. The agreement is made to rebate any portion of the retailer's occupational taxes or incremental property taxes received by the Village that were generated by the development or redevelopment over a finite period of time. Each incentive agreement was negotiated on an individual basis and approved by Board Resolution.

The Village's liability under the sales tax incentive agreements as of April 30, 2018 amounted to \$145,693 and has been reported in the Tax Rebate Fund. The Village has elected to disclose all such agreements on the Statement of Net Position in Other liabilities. The total expense incurred under these agreements amounted to \$414,934 for the year ended April 30, 2018. The Village incurred \$272,592 related to the incremental property tax incentive agreement. This amount is presented and recorded in the Tax Increment Fund. The maximum amount remaining under these agreements is approximately \$6,000,000 and the agreements expire at various times through 2032.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 11. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village currently reports all its risk management activities in the General Fund.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/ expenses in the appropriate funds. Each member assumes the first \$1,000 of each occurrence for the years prior to 2004 and \$2,500 for each occurrence in 2004 and subsequent years. Beginning in 2005, members were given the option to assume higher deductibles. IRMA has a mix of self insurance and commercial insurance at various amounts above that level. The Village had a \$25,000 deductible for the year ended April 30, 2018.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

The latest available financial statements of IRMA, dated December 31, 2017, show the following:

Total Assets and Deferred Outflows of Resources	<u>\$203,124,013</u>
Liabilities	\$84,880,651
Members' Balances and Reserves	<u>\$118,243,362</u>
Total Liabilities and Members' Balances	<u>\$203,124,013</u>
Total Revenues	<u>\$29,559,817</u>
Total Expenses	<u>\$29,559,817</u>

Complete financial statements of IRMA may be obtained directly from its administrative offices:

Intergovernmental Risk Management Agency
Four Westbrook Corporate Center, Suite 940
Westchester, Illinois 60154

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 11. Risk Management (continued)

The Village has also purchased insurance from commercial insurance companies. Risks covered included medical and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage during the current year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years.

Note 12. Joint Venture – Solid Waste Agency of Lake County

The Village is a member of the Solid Waste Agency of Lake County (the Agency) which consists of 35 municipalities. The Agency is a municipal corporation and public body politic and corporate established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). The Agency is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. The Agency is reported as a nonequity governmental joint venture.

The members of the Agency and their percentage shares based on a formula contained in the Agency agreement are:

	%		%
	Share		Share
Antioch	1.06 %	Lindenhurst	1.45 %
Beach Park	1.65	Long Grove	1.42
Deer Park	.74	Mundelein	4.12
Deerfield	4.25	North Barrington	.66
Fox Lake	-	North Chicago	3.13
Grayslake	1.46	Park City	.86
Green Oaks	.47	Port Barrington	-
Gurnee	3.11	Riverwoods	.94
Hainesville	-	Round Lake	.61
Hawthorn Woods	1.07	Round Lake Beach	2.55
Highland Park	8.03	Round Lake Heights	-
Island Lake	-	Round Lake Park	.64
Kildeer	.67	Third Lake	.24
Lake Barrington	1.16	Tower Lakes	-
Lake Bluff	1.61	Vernon Hills	3.36
Lake County	19.88	Wadsworth	.39
Lake Forest	6.13	Wauconda	1.31
Lake Villa	.55	Waukegan	12.15
Lake Zurich	3.21	Winthrop Harbor	1.08
Libertyville	4.38	Zion	<u>3.92</u>
Lincolnshire	1.74		
			<u>100.00</u> %

These percentage shares are subject to change in future years based on the combination of the population and equalized assessed valuation of the municipalities.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 12. Joint Venture – Solid Waste Agency of Lake County (Continued)

The members form a contiguous geographic service area which is located in Lake County. Under the Agency Agreement, additional members may join the Agency upon approval of each member.

The Agency is governed by a Board of Directors which consists of one appointed Mayor or President, Trustee or Chief Administrative Officer from each member municipality. Each Director has an equal vote. The officers of the Agency are appointed by the Board of Directors. The Board of Directors determines the general policy of the Agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of Bonds or Notes by Agency, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Summary Financial Information of Joint Venture

Summary of Financial Position as of November 30, 2017 (latest data available):

<u>Assets</u>		<u>Liabilities and Net Position</u>	
Current assets	\$ 2,133,202	Current liabilities	\$ 42,820
Designated assets	500,000	Deferred pension inflows	54,305
Net Pension asset	414,707	Net investment in capital assets	943,872
Deferred Pension outflows	146,911	Restricted for pension	414,707
Capital assets	<u>943,872</u>	Unrestricted net position	<u>2,682,988</u>
 Total Assets	 \$ <u>4,138,692</u>	 Total Liabilities and Net Position	 \$ <u>4,138,692</u>

Summary of Revenues, Expenses and Changes in Net Position for the year ended November 30, 2017:

Total revenues	\$ 1,085,504
Total expenses	<u>1,031,955</u>
	53,549
Net position	
Beginning of year	<u>3,988,018</u>
End of year	<u>\$ 4,041,567</u>

Complete financial statements for the Agency can be obtained from the Agency's administrative office at 1311 N. Estes St., Gurnee, Illinois 60031.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 12. Joint Venture – Solid Waste Agency of Lake County (Continued)

Revenues of the system consist of (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of moneys; and (c) all income, fees, service charges and all grants, rents and receipts derived by the Agency from the ownership and operation of the system.

The Agency covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

The Agency has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable and may not be terminated or amended except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

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

The payments required to be made by the Village under this Contract shall be required to be made solely from revenues to be derived by the Village from the operation of the Village's system. The government is not prohibited by the Contract from using other available funds to make payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture Agreement, the Village made no remittances for the Agency for 2018.

Note 13. Contractual and Other Commitments

The Village entered into contracts for the construction or renovation of various streets and facilities. The Village has entered into contracts for 2018 street renovations subsequent to April 30, 2018 for approximately \$5 million. No further financing is required on any of the contracts.

The Village has committed to purchase all water from the Central Lake County Joint Action Water Agency (CLCJAWA).

The Village has committed to make payments to the Solid Waste Agency of Lake County. As of the date of this report, future minimum amounts have not been determined.

The Village has a commitment to a developer to reimburse 40% of any tax increment from its residential developments within the TIF District.

Note 14. Segment Information

The Village maintains only one enterprise fund which is intended to be self-supporting through user fees charged for services to the public.

Village of Mundelein, Illinois
Notes to Financial Statements
April 30, 2018

Note 15. New Governmental Accounting Standards

During the past few years, the Governmental Accounting Standards Board has issued several statements that will affect governmental reporting - GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, GASB Statement No. 84 *Fiduciary Activities*, and GASB Statement No. 87 *Leases*. When these statements become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Mundelein, Illinois
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 2,350,000	\$ 2,350,000	\$ 2,143,013	\$ (206,987)
Licenses and permits	815,000	815,000	1,065,261	250,261
Grants	50,000	50,000	59,746	9,746
Donations	135,000	135,000	210,672	75,672
Fines and forfeits	770,000	770,000	802,561	32,561
Taxes	14,275,000	14,275,000	13,477,762	(797,238)
Intergovernmental	7,550,000	7,550,000	7,575,588	25,588
Investment income	100,000	100,000	15,104	(84,896)
Miscellaneous	455,000	455,000	68,617	(386,383)
Total revenues	26,500,000	26,500,000	25,418,324	(1,081,675)
Expenditures				
Current				
General government	5,344,393	5,344,393	5,901,822	(557,429)
Public safety	16,129,857	16,129,857	16,033,184	96,673
Public works	3,990,750	3,990,750	3,805,339	185,411
Total expenditures	25,465,000	25,465,000	25,740,345	(275,345)
Excess (deficiency) of revenues over expenditures	1,035,000	1,035,000	(322,021)	(1,357,021)
Other financing uses				
Proceeds from sale of capital assets	-	-	433,367	433,367
Transfers out	(1,035,000)	(1,035,000)	(1,035,000)	-
Total other financing sources(uses)	(1,035,000)	(1,035,000)	(601,633)	433,367
Net change in fund balance	\$ -	\$ -	\$ (923,654)	\$ (923,654)
Fund balance - beginning			12,884,085	
Fund balance - ending			\$ 11,960,431	

**Village of Mundelein, Illinois
Road and Bridge Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,650,000	\$ 1,650,000	\$ 1,651,098	\$ 1,098
Investment income	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
	<u>1,655,000</u>	<u>1,655,000</u>	<u>1,651,098</u>	<u>(3,902)</u>
Total revenues				
Expenditures				
Highways and streets				
Streets	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,959,755</u>	<u>(40,245)</u>
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,959,755</u>	<u>(40,245)</u>
Net change in fund balance	<u>\$ (345,000)</u>	<u>\$ (345,000)</u>	<u>(308,657)</u>	<u>36,343</u>
Fund balance - beginning			<u>1,064,424</u>	
Fund balance - ending			<u>\$ 755,767</u>	

Village of Mundelein, Illinois
Schedule of Changes in the Village's Net Pension Liability
and Related Ratios
Police Pension Fund
April 30, 2018

Total Pension Liability	2015	2016	2017	2018
Service Cost	\$ 1,103,708	\$ 1,419,301	\$ 1,505,684	\$ 1,517,547
Interest	2,806,232	2,638,886	3,464,447	3,422,071
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	535,467	(674,152)	411,780	69,000
Changes of Assumptions	2,960,841	9,714,586	(4,102,425)	825,139
Benefit Payments, Including Refunds of Member Contributions	(1,637,841)	(1,724,726)	(1,911,997)	(1,895,829)
Net Change in Total Pension Liability	5,768,407	11,373,895	(632,511)	3,937,928
Total Pension Liability - Beginning	40,907,950	46,676,357	58,050,252	57,417,741
Total Pension Liability - Ending	\$ 46,676,357	\$ 58,050,252	\$ 57,417,741	\$ 61,355,669

Plan Fiduciary Net Position				
Contributions - Village	1,247,471	1,305,730	1,698,322	1,436,044
Contributions - Members	448,599	503,875	483,774	507,505
Contributions - Other	-	-	241,973	2,256
Net Investment Income	1,393,580	226,006	2,192,077	2,366,652
Benefit Payments	(1,637,841)	(1,724,726)	(1,911,997)	(1,895,829)
Administrative Expenses	(28,836)	(44,653)	(46,958)	(47,408)
Net Change in Plan Fiduciary Net Position	1,423,073	266,232	2,657,191	2,369,220
Plan Net Position - Beginning	22,062,170	23,485,243	23,751,475	26,408,666
Plan Net Position - Ending	\$ 23,485,243	\$ 23,751,475	\$ 26,408,666	\$ 28,777,886

Village's Net Pension Liability	\$ 23,191,114	\$ 34,298,777	\$ 31,009,075	\$ 32,577,783
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Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.32%	40.92%	45.99%	46.90%
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Covered Payroll	\$ 4,982,863	\$ 5,492,977	\$ 4,955,441	\$ 5,150,531
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Village's Net Pension Liability as a Percentage of Covered Employee Payroll	465.42%	624.41%	625.76%	632.51%
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Notes to the Required Supplementary Information

Following are the assumption changes since the prior year valuation:

- The rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year.
- The single discount rate was adjusted from 6.06% to 5.90% for the current year.
- Changes to mortality assumptions to include mortality improvements as stated in the most recently released MP-2016 table.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2015.

Village of Mundelein, Illinois
Schedule of Changes in the Village's Net Pension Liability
and Related Ratios
Firefighters' Pension Fund
April 30, 2018

	2015	2016	2017	2018
Total Pension Liability				
Service Cost	\$ 677,341	757,788	693,012	736,113
Interest	1,439,762	1,339,984	1,893,269	1,918,806
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	36,401	777,345	337,279	(10,210)
Changes of Assumptions	952,900	5,493,935	(1,584,757)	1,180,355
Benefit Payments, Including Refunds of Member Contributions	(730,574)	(806,871)	(865,810)	(990,673)
Net Change in Total Pension Liability	2,375,830	7,562,181	472,993	2,834,391
Total Pension Liability - Beginning	20,933,311	23,309,141	30,871,322	31,344,315
Total Pension Liability - Ending	\$ 23,309,141	\$ 30,871,322	\$ 31,344,315	\$ 34,178,706
 Plan Fiduciary Net Position				
Contributions - Village	563,609	582,571	660,248	616,808
Contributions - Members	221,311	229,938	229,724	227,416
Contributions - Other	-	-	9,000	5,000
Net Investment Income	956,122	(18,917)	1,659,918	1,202,485
Benefit Payments	(730,574)	(806,871)	(865,810)	(990,673)
Administrative Expenses	(27,971)	(29,055)	(31,739)	(38,581)
Net Change in Plan Fiduciary Net Position	982,497	(42,334)	1,661,341	1,022,455
Plan Net Position - Beginning	16,336,166	17,318,663	17,276,329	18,937,670
Plan Net Position - Ending	\$ 17,318,663	\$ 17,276,329	\$ 18,937,670	\$ 19,960,125
 Village's Net Pension Liability	\$ 5,990,478	\$ 13,594,993	\$ 12,406,645	\$ 14,218,581
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.30%	55.96%	60.42%	58.40%
 Covered Payroll	\$ 2,823,096	3,138,475	2,298,259	2,519,605
 Village's Net Pension Liability as a Percentage of Covered Employee Payroll	212.20%	433.17%	539.83%	564.32%

Notes to the Required Supplementary Information

Following are the assumption changes since the prior year valuation:

- The rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.82% to 3.97% for the current year.
- The single discount rate was adjusted from 6.22% to 5.98% for the current year.
- Changes to mortality assumptions to include mortality improvements as stated in the most recently released MP-2016 table.

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2015.

Village of Mundelein, Illinois
Schedule of Changes in the Village's Net Pension Liability
and Related Ratios
Illinois Municipal Retirement Fund
April 30, 2018

	2016	2017	2018
Total Pension Liability			
Service Cost	\$ 831,273	\$ 843,761	\$ 831,213
Interest	3,178,103	3,294,134	3,481,926
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(703,325)	247,066	65,720
Changes of Assumptions	58,166	(120,189)	(1,485,982)
Benefit Payments, Including Refunds of Member Contributions	(1,747,929)	(1,777,102)	(1,966,998)
Net Change In Total Pension Liability	1,616,288	2,487,670	925,879
Total Pension Liability - Beginning	42,889,608	44,505,896	46,993,566
Total Pension Liability - Ending	<u>\$ 44,505,896</u>	<u>\$ 46,993,566</u>	<u>\$ 47,919,445</u>
 Plan Fiduciary Net Position			
Contributions - Village	1,044,957	1,050,531	994,735
Contributions - Members	346,772	352,763	364,609
Net Investment Income	186,539	2,554,161	6,816,040
Benefit Payments	(1,747,929)	(1,777,102)	(1,966,998)
Other (Net Transfer)	(221,714)	396,067	(760,393)
Net Change in Plan Fiduciary Net Position	(391,375)	2,576,420	5,447,993
Plan Net Position - Beginning	37,485,939	37,094,564	39,670,984
Plan Net Position - Ending	<u>\$ 37,094,564</u>	<u>\$ 39,670,984</u>	<u>\$ 45,118,977</u>
 Village's Net Pension Liability	 <u><u>\$ 7,411,332</u></u>	 <u><u>\$ 7,322,582</u></u>	 <u><u>\$ 2,800,468</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 83.35%	 84.42%	 94.16%
 Covered Payroll	 \$ 7,739,513	 \$ 7,826,376	 \$ 8,002,702
 Village's Net Pension Liability as a Percentage of Covered Employee Payroll	 95.76%	 93.56%	 34.99%

Notes to the Required Supplementary Information

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

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016.

This information is presented as of the measurement date, which is December 31 annually.

Village of Mundelein, Illinois
Required Supplementary Information
Employer Contributions
April 30, 2018

Police Pension Fund					Contributions as a Percentage of Covered Payroll
Fiscal Year	Actuarially Determined Contributions	Actual Contributions	Contribution Deficiency/ (Excess)	Covered- Employee Payroll	
2018	\$1,991,947	\$1,436,044	\$555,903	\$5,150,531	27.88%
2017	\$1,886,666	\$1,698,322	\$188,344	\$4,955,441	34.27%
2016	\$1,462,121	\$1,305,730	\$156,391	\$5,492,977	23.77%
2015	\$1,390,333	\$1,247,471	\$142,862	\$4,982,863	25.04%

Notes to the Required Supplementary Information

Valuation Date

**Methods and assumptions used to
determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Straight-Line
Remaining amortization period	23 years
Actual experience	9 years
Changes in assumptions	9 years
Asset experience	5 years
Asset valuation method	Market Value
Inflation	2.5%
Salary increases	3.75-7.10%
Investment rate of return	7.0%
Retirement age	Lauterbach & Amen 2016 Illinois Police Retirement Rates capped at age 65
Mortality	Lauterbach & Amen 2016 Illinois Police Mortality Tables

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2015.

Village of Mundelein, Illinois
Required Supplementary Information
Employer Contributions
April 30, 2018

Firefighters' Pension Fund					Contributions as a Percentage of Covered Payroll
Fiscal Year	Actuarially Determined Contributions	Actual Contributions	Contribution Deficiency/ (Excess)	Covered- Employee Payroll	
2018	\$840,992	\$616,808	\$224,184	\$2,519,605	24.48%
2017	\$733,114	\$660,248	\$72,866	\$2,298,259	28.73%
2016	\$627,437	\$582,571	\$44,866	\$3,138,475	18.56%
2015	\$625,439	\$563,609	\$61,830	\$2,823,096	19.96%

Notes to the Required Supplementary Information

Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Straight-Line
Remaining amortization period	23 years
Actual experience	9 years
Changes in assumptions	9 years
Asset experience	5 years
Asset valuation method	Market Value
Inflation	2.5%
Salary increases	4.0-6.7%
Investment rate of return	7.0%
Retirement age	Lauterbach & Amen 2016 Illinois Fire Retirement Rates capped at age 65
Mortality	Lauterbach & Amen 2016 Illinois Fire Mortality Tables

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was enacted in fiscal year 2015.

**Village of Mundelein, Illinois
Required Supplementary Information
Schedule of Village Contributions
Illinois Municipal Retirement Fund
April 30, 2018**

Year Ended	Actuarially Determined Contributions	Actual Contributions	Contribution Deficiency/ (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Payroll
4/30/2016	\$ 1,091,237	\$ 1,086,716	\$ 4,521	\$ 8,045,813	13.51%
4/30/2017	\$ 1,023,231	\$ 1,025,028	\$ (1,797)	\$ 7,845,210	13.07%
4/30/2018	\$ 1,018,394	\$ 1,018,394	\$ -	\$ 8,165,357	12.47%

Notes to the Required Supplementary Information

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years closed period
Asset valuation period	5-Year smoothed market; 20% corridor
Wage growth	3.5%
Price inflation	2.75% approximate; no explicit price inflation assumption is used in this valuation
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013
Mortality	For nondisabled retirees, an IMRF-specific 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 adjustments that were applied for nondisabled 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.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2015 actuarial valuation; note 2 year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. It was adopted in 2016.

Village of Mundelein, Illinois
Schedule of Investment Returns
Police and Firefighters' Pension Funds
Year Ended April 30, 2018

	Police	Firefighters
Annual Money-Weighted Rate of Return, Net of Investment Expense		
2015	6.31%	6.08%
2016	1.00%	-0.11%
2017	9.11%	9.72%
2018	8.80%	6.20%

GASB Statement No. 67 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was enacted in fiscal year 2015.

Village of Mundelein, Illinois
Required Supplementary Information
Other Postemployment Benefits
Year Ended April 30, 2018

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
04/30/2013	-	845,565	845,565	0.00%	13,403,283	6.31%
04/30/2014	-	920,846	920,846	0.00%	13,564,608	6.79%
04/30/2015	-	920,846	920,846	0.00%	13,697,533	6.72%
04/30/2016	-	920,846	920,846	0.00%	13,884,626	6.63%
04/30/2017	-	3,969,267	3,969,267	0.00%	14,162,319	28.03%
04/30/2018	-	3,969,267	3,969,267	0.00%	14,445,565	27.48%

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
04/30/2013	64,304	66.5%
04/30/2014	62,932	67.9%
04/30/2015	72,290	110.6%
04/30/2016	72,290	110.6%
04/30/2017	193,505	60.6%
04/30/2018	201,245	60.6%

Village of Mundelein, Illinois
Notes to Required Supplementary Information
April 30, 2018

Note 1. Budgetary Basis of Accounting

The General Fund budget is adopted on a basis that is consistent with generally accepted accounting principles.

All departments of the Village submit requests for appropriation to the Village's Administrator so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted for the general, special revenue (except for the Tax Increment Finance Area #3), debt service, capital projects, and pension trust funds.

Budgets are adopted on a basis consistent with generally accepted accounting principles except for the Waterworks and Sewerage Fund. The Waterworks and Sewerage Fund is adopted on a modified basis in that depreciation is not budgeted, and capital outlay and debt principal retirements are budgeted.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The administrator is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

The budget may be amended by the governing body.

Expenditures and transfers out may not legally exceed budgeted appropriations at the fund level. The following funds had expenditures in excess of budget:

General Fund	\$275,345
Motor Fuel Tax Fund	\$36,196
Social Security Fund	\$31,406
Archer Business Center Fund	\$72,123
Stormwater Management Fund	\$53,337
Tax Increment Finance #2 Fund	\$38,440
Equipment Replacement Fund	\$224,750
Capital Development Fund	\$15,184
General Obligation Bond Fund	\$949

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

Village of Mundelein, Illinois
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 3,704,178	\$ 393,607	\$ 722,545	\$ 4,820,330
Receivables				
Property taxes	2,601,155	984,753	-	3,585,908
Due from other funds	145,693	-	-	145,693
Due from other governments	71,114	-	-	71,114
Total assets	<u>\$ 6,522,140</u>	<u>\$ 1,378,360</u>	<u>\$ 722,545</u>	<u>\$ 8,623,045</u>
Liabilities				
Accounts payable	\$ 55,567	\$ -	\$ 11,856	\$ 67,423
Accrued payroll	40,956	-	-	40,956
Due to other funds	4,715,294	-	-	4,715,294
Unearned revenue	-	-	161,248	161,248
Other liabilities	194,758	-	-	194,758
Total liabilities	<u>5,006,575</u>	<u>-</u>	<u>173,104</u>	<u>5,179,679</u>
Deferred inflows of resources-unavailable revenues	<u>2,601,155</u>	<u>984,753</u>	<u>-</u>	<u>3,585,908</u>
Fund Balances				
Restricted	2,805,561	393,607	549,441	3,748,609
Unrestricted - Assigned	831,031	-	-	831,031
Unrestricted - Unassigned	(4,722,182)	-	-	(4,722,182)
Total fund balances	<u>(1,085,590)</u>	<u>393,607</u>	<u>549,441</u>	<u>(142,542)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,522,140</u>	<u>\$ 1,378,360</u>	<u>\$ 722,545</u>	<u>\$ 8,623,045</u>

Village of Mundelein, Illinois
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended April 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 2,310	\$ -	\$ -	\$ 2,310
Intergovernmental	793,158	-	-	793,158
Grants	34,865	-	217,168	252,033
Fees	407,459	-	87,380	494,839
Taxes	3,418,733	982,749	-	4,401,482
Investment income	702	-	-	702
Total revenues	<u>4,657,227</u>	<u>982,749</u>	<u>304,548</u>	<u>5,944,524</u>
Expenditures				
Current				
General government	1,210,214	-	15,184	1,225,398
Public safety	1,039,540	-	-	1,039,540
Public works	2,260,956	-	217,168	2,478,124
Pension Contributions	1,891,827	-	-	1,891,827
Debt service				
Principal	400,000	1,525,000	-	1,925,000
Interest and fiscal charges	215,293	181,437	-	396,730
Bond issue costs	94,505	-	-	94,505
Total expenditures	<u>7,112,335</u>	<u>1,706,437</u>	<u>232,352</u>	<u>9,051,124</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,455,108)</u>	<u>(723,688)</u>	<u>72,196</u>	<u>(3,106,600)</u>
Other financing sources (uses)				
Refunding Bond Issuance	5,565,000	-	-	5,565,000
Premium on Bond Issuance	526,897	-	-	526,897
Payment to Refunding Bonds Escrow	(5,997,392)	-	-	(5,997,392)
Transfers in	825,000	210,000	-	1,035,000
Total Other financing sources (uses)	<u>919,505</u>	<u>210,000</u>	<u>-</u>	<u>1,129,505</u>
Net change in fund balances	<u>(1,535,603)</u>	<u>(513,688)</u>	<u>72,196</u>	<u>(1,977,095)</u>
Fund balances - beginning	<u>450,013</u>	<u>907,295</u>	<u>477,245</u>	<u>1,834,553</u>
Fund balances - ending	<u>\$ (1,085,590)</u>	<u>\$ 393,607</u>	<u>\$ 549,441</u>	<u>\$ (142,542)</u>

NONMAJOR SPECIAL REVENUE FUNDS

Illinois Municipal Retirement Fund – To account for revenues derived from a specific annual property tax levy provided for the purpose of providing employer contributions to the state sponsored Illinois Municipal Retirement Fund.

Social Security Fund – To account for revenues derived from a specific annual property tax levy provided for the purpose of meeting the costs associated with participation in the “Social Security Act.”

Train Station Parking Fund – To account for revenues and expenditures related to the operations of the train station parking lot.

Motor Fuel Tax Fund – To account for revenues provided by the Village’s share of state gasoline taxes used for the operation of certain street maintenance and improvement programs, as authorized by the Illinois Department of Transportation.

911 Surcharge Fund – To account for revenues derived from the imposition of a surcharge per network connection on the telecommunication companies for the purpose of installing and maintaining a 911 Emergency Telephone System (The Emergency Telephone System Act).

Tax Rebate Fund – To account for sales tax sharing agreements with developers for improvements to their businesses

Revolving Loans/Grants Fund – To account for community development block grants received by the Village, as subrecipient and, from Lake County, as recipient, of funds under Title 1 of the Housing and Community Development Act of 1974, as amended. This fund also accounts for a revolving loan program with the Affordable Housing Corporation of Lake County.

Transportation Fund – To account for revenues derived from transportation impact fees used to fund Construction of Transportation Improvements, including intersection improvements and Metra train station facilities.

Stormwater Management Fund – To account for revenues derived from Stormwater Management fees received from developers. The Village will use the funds for storm water relief projects.

Tree Fund – To account for revenues generated as a result of the landscape code ordinance, and utilized for forestry activities of public property.

Archer Business Center Fund – To account for rental activity and improvements at the Village-owned property at 165 North Archer.

Tax Increment Finance #2 Fund – To account for the activity relating to Tax Increment Allocation Financing for the downtown TIF Redevelopment Project Area created in 2005 and amended in 2016.

Tax Increment Finance #3 Fund – To account for the activity relating to Tax Increment Allocation Financing for the downtown TIF Redevelopment Project Area west of the railroad tracks. This fund created in FY2018 is for the 2016 created TIF.

Equipment Replacement Fund – To account for activities relating to the funding for, and replacement of cars, maintenance vehicles, other specialty vehicles and essential equipment associated therewith.

Village of Mundelein, Illinois
Normal Special Revenue Funds
Combining Balance Sheet
April 30, 2018

	Illinois Municipal Retirement	Social Security	Train Station Parking	Motor Fuel Tax	911 Surcharge	Tax Rebate	Revolving Loans/Grants	Trans- portation	Stormwater Management	Tree	Archer Business Center	Tax Increment Finance Area #2	Tax Increment Finance Area #3	Equipment Replacement	Total
Cash and Investments	\$ 82,362	\$ 37,354	\$ 443,260	\$ 5,019	\$ 1,030,792	\$ 116	\$ 224,243	\$ 1,419,536	\$ -	\$ -	\$ -	\$ -	\$ 52,114	\$ 409,382	\$ 3,704,178
Receivables															
Property taxes	755,005	1,070,005	-	-	-	-	-	-	-	-	-	742,978	38,167	-	2,601,155
Due from other funds	-	-	-	-	-	145,693	-	-	-	-	-	-	-	-	145,693
Due from other governments	-	-	-	71,114	-	-	-	-	-	-	-	-	-	-	71,114
Total assets	\$ 837,367	\$ 1,107,359	\$ 443,260	\$ 76,133	\$ 1,030,792	\$ 145,809	\$ 224,243	\$ 1,419,536	\$ -	\$ -	\$ -	\$ 742,978	\$ 85,281	\$ 409,382	\$ 6,522,140
Liabilities															
Accounts payable	\$ -	\$ -	\$ 21,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,874	\$ 9,235	\$ 11,118	\$ 9,729	\$ -	\$ -	\$ 55,567
Accrued payroll	15,923	25,033	-	-	-	-	-	-	-	-	-	-	-	-	40,956
Due to other Funds	-	-	-	447,820	-	-	-	-	1,662,796	589,559	1,305,592	709,527	-	-	4,715,294
Other liabilities	-	-	-	-	-	145,693	-	-	-	-	49,065	-	-	-	194,758
Total liabilities	\$ 15,923	\$ 25,033	\$ 21,611	\$ 447,820	\$ -	\$ 145,693	\$ -	\$ -	\$ 1,666,670	\$ 598,794	\$ 1,365,775	\$ 719,256	\$ -	\$ -	\$ 5,006,575
Deferred inflows of resources - unavailable revenues	755,005	1,070,005	-	-	-	-	-	-	-	-	-	742,978	33,167	-	2,601,155
Fund Balances															
Restricted	66,439	12,321	-	-	1,030,792	116	224,243	1,419,536	-	-	-	-	52,114	-	2,805,561
Unrestricted - Assigned	-	-	421,649	-	-	-	-	-	-	-	-	-	-	409,382	831,031
Unrestricted - Unassigned	-	-	-	(371,667)	-	-	-	-	(1,666,670)	(598,794)	(1,365,775)	(719,256)	-	-	(4,722,182)
Total fund balance	\$ 66,439	\$ 12,321	\$ 421,649	\$ (371,667)	\$ 1,030,792	\$ 116	\$ 224,243	\$ 1,419,536	\$ (1,666,670)	\$ (598,794)	\$ (1,365,775)	\$ (719,256)	\$ 52,114	\$ 409,382	\$ (1,085,590)
Total liabilities, deferred inflows of resources, and fund balances	\$ 837,367	\$ 1,107,359	\$ 443,260	\$ 76,133	\$ 1,030,792	\$ 145,809	\$ 224,243	\$ 1,419,536	\$ -	\$ -	\$ -	\$ 742,978	\$ 85,281	\$ 409,382	\$ 6,522,140

Village of Mundelein, Illinois
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended April 30, 2018

	Illinois Municipal Retirement	Social Security	Train Station Parking	Motor Fuel Tax	911 Surcharge	Tax Rebate	Revolving Loans/Grants	Trans- portion	Stormwater Management	Tree	Archer Business Center	Increment Finance Area #2	Increment Finance Area #3	Equipment Replacement	Total
Revenues															
Charges for services	\$ -	\$ -	\$ -	\$ 2,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,310
Intergovernmental	-	-	-	793,158	-	-	-	-	-	-	-	-	-	-	793,158
Grants	-	-	-	-	-	-	34,865	-	-	-	-	-	-	-	34,865
Fees	-	-	61,238	-	-	-	-	90,440	52,020	10	173,525	-	-	30,226	407,459
Taxes	781,968	1,108,406	-	-	317,832	414,934	-	-	-	-	-	793,479	52,114	-	3,418,793
Investment income	-	-	9	3	-	-	-	-	-	-	-	690	-	-	702
Total revenues	781,968	1,108,406	61,247	795,471	317,832	414,934	34,865	90,440	52,020	10	173,525	734,169	52,114	30,226	4,657,227
Expenditures															
Current															
General government	-	-	-	-	-	414,934	215,138	-	-	-	174,623	376,867	-	28,652	1,210,214
Public safety	-	-	-	-	378,862	-	-	-	-	-	-	-	-	660,678	1,039,540
Public works	-	-	-	896,196	-	-	-	191,900	553,337	228,784	-	-	-	357,420	2,167,097
Highways and streets	-	-	93,919	-	-	-	-	-	-	-	-	-	-	-	93,919
Buildings and grounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,891,827
Pension contributions	780,421	1,111,406	-	-	-	-	-	-	-	-	-	-	-	-	1,891,827
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	400,000	-	-	400,000
Total expenditures	780,421	1,111,406	93,919	896,196	378,862	414,934	215,138	191,900	553,337	228,784	174,623	1,086,665	-	1,046,750	7,112,335
Excess (deficiency) of revenues over expenditures	1,547	(3,000)	(32,672)	(40,725)	(51,030)	-	(180,273)	(100,860)	(501,317)	(228,774)	(1,098)	(352,496)	52,114	(1,016,524)	(2,455,108)
Other financing sources(uses)															
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-	-	5,565,000	-	-	5,565,000
Premium on refunding bonds	-	-	-	-	-	-	-	-	-	-	-	526,897	-	-	526,897
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	(5,997,392)	-	-	(5,997,392)
Transfers in	-	-	-	-	-	-	125,000	-	-	-	-	-	-	700,000	825,000
Total other financing sources(uses)	-	-	-	-	-	-	125,000	-	-	-	-	94,505	-	700,000	919,505
Net change in fund balances	1,547	(3,000)	(32,672)	(40,725)	(51,030)	-	(55,273)	(100,860)	(501,317)	(228,774)	(1,098)	(257,991)	52,114	(319,524)	(1,535,603)
Fund balances - beginning	64,892	15,311	454,321	(390,962)	1,081,822	116	279,516	1,520,396	(1,103,353)	(370,020)	(1,364,677)	(461,265)	-	725,906	450,013
Fund balances - ending	\$ 66,439	\$ 12,311	\$ 421,649	\$ (371,687)	\$ 1,030,792	\$ 116	\$ 224,243	\$ 1,419,536	\$ (1,666,670)	\$ (598,794)	\$ (1,365,775)	\$ (719,256)	\$ 52,114	\$ 409,382	\$ (1,085,590)

**Village of Mundelein, Illinois
Illinois Municipal Retirement Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 850,000	\$ 850,000	\$ 781,968
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>781,968</u>
Expenditures			
Pension Contributions			
General Government			
Administration	151,071	151,071	138,704
Finance	48,878	48,878	44,831
Building Inspection	102,195	102,195	95,156
Executive	25,550	25,550	23,428
Public Safety			
Police Department	196,615	196,615	180,192
Fire Department	10,220	10,220	9,365
Public Works			
Administration	88,864	88,864	81,357
Building and Grounds	47,766	47,766	43,729
Motor Vehicle	45,543	45,543	41,682
Streets	133,298	133,298	121,977
Total expenditures	<u>850,000</u>	<u>850,000</u>	<u>780,421</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 1,547
 Fund balance - beginning			 <u>64,892</u>
 Fund balance - ending			 <u>\$ 66,439</u>

Village of Mundelein, Illinois
Social Security Fund
Schedule of Revenues, Expenditures, and Changes In
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 1,080,000	\$ 1,080,000	\$ 1,108,406
Investment income	50	50	-
Total revenues	<u>1,080,050</u>	<u>1,080,050</u>	<u>1,108,406</u>
Expenditures			
Pension Contributions			
General Government			
Executive	12,225	12,225	12,582
Administration	100,140	100,140	103,051
Finance	18,710	18,710	19,146
Building inspection	47,536	47,536	54,095
Public Safety			
Police	511,875	511,875	530,261
Fire	232,105	232,105	235,589
Public Works			
Administration	39,002	39,002	38,774
Buildings and grounds	28,911	28,911	28,724
Motor vehicle	25,008	25,008	24,834
Streets	64,488	64,488	64,350
Total expenditures	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,111,406</u>
 Net change in fund balance	 <u>\$ 50</u>	 <u>\$ 50</u>	 (3,000)
 Fund balance - beginning			 <u>15,321</u>
 Fund balance - ending			 <u>\$ 12,321</u>

**Village of Mundelein, Illinois
Train Station Parking Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Fees	\$ 85,000	\$ 85,000	\$ 61,238
Investment Income	<u>100</u>	<u>100</u>	<u>9</u>
Total revenues	<u>85,100</u>	<u>85,100</u>	<u>61,247</u>
 Expenditures			
Buildings and grounds	<u>187,729</u>	<u>187,729</u>	<u>93,919</u>
 Net change in fund balance	<u>\$ (102,629)</u>	<u>\$ (102,629)</u>	(32,672)
 Fund balance - beginning			<u>454,321</u>
 Fund balance - ending			<u>\$ 421,649</u>

Village of Mundelein, Illinois
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 2,500	\$ 2,500	\$ 2,310
Intergovernmental			
Allotments - State of Illinois	900,000	900,000	793,158
Investment income	<u>100</u>	<u>100</u>	<u>3</u>
Total revenues	<u>902,600</u>	<u>902,600</u>	<u>795,471</u>
Expenditures			
Highways and streets			
Streets	<u>800,000</u>	<u>800,000</u>	<u>836,196</u>
Net change in fund balance	<u>\$ 102,600</u>	<u>\$ 102,600</u>	(40,725)
Fund balance - beginning			<u>(330,962)</u>
Fund balance - ending			<u>\$ (371,687)</u>

Village of Mundelein, Illinois
911 Surcharge Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 350,000	\$ 350,000	\$ 327,832
Investment income	500	500	-
Total revenues	<u>350,500</u>	<u>350,500</u>	<u>327,832</u>
Expenditures			
Public safety			
Police	<u>415,000</u>	<u>415,000</u>	<u>378,862</u>
Net change in fund balance	<u>\$ (64,500)</u>	<u>\$ (64,500)</u>	(51,030)
Fund balance - beginning			<u>1,081,822</u>
Fund balance - ending			<u>\$ 1,030,792</u>

Village of Mundelein, Illinois
Tax Rebate Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 700,000	\$ 700,000	\$ 414,934
Interest	-	-	-
	<u>700,000</u>	<u>700,000</u>	<u>414,934</u>
 Expenditures			
General government			
Economic Incentive Agreements	<u>700,000</u>	<u>700,000</u>	<u>414,934</u>
 Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	-
 Fund balance - beginning			<u>116</u>
 Fund balance - ending			<u><u>\$ 116</u></u>

**Village of Mundelein, Illinois
Revolving Loans/Grants Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Grants	\$ 185,000	\$ 185,000	\$ 34,865
Expenditures			
General Government	125,000	125,000	115,138
Public Works	185,000	185,000	100,000
Total Expenditures	<u>310,000</u>	<u>310,000</u>	<u>215,138</u>
Excess of revenues over expenditures	<u>(125,000)</u>	<u>(125,000)</u>	<u>(180,273)</u>
Other financing sources			
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	\$ (55,273)
Fund balance - beginning			<u>279,516</u>
Fund balance - ending			<u>\$ 224,243</u>

**Village of Mundelein, Illinois
Transportation Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Fees	\$ 284,500	\$ 284,500	\$ 90,440
Total revenues	<u>284,500</u>	<u>284,500</u>	<u>90,440</u>
Expenditures			
General government			
Engineering	100,000	100,000	54,220
Public works			
Highways and Streets	900,000	900,000	137,080
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>191,300</u>
Net change in fund balance	<u>\$ (715,500)</u>	<u>\$ (715,500)</u>	\$ (100,860)
Fund balance - beginning			<u>1,520,396</u>
Fund balance - ending			<u>\$ 1,419,536</u>

Village of Mundelein, Illinois
Stormwater Management Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Fees	\$ -	\$ -	\$ 52,020
Total Revenues	<u>-</u>	<u>-</u>	<u>52,020</u>
Expenditures			
Public Works			
Highways and Streets	<u>500,000</u>	<u>500,000</u>	<u>553,337</u>
Net change in fund balance	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	\$ (501,317)
Fund balance - beginning			<u>(1,165,353)</u>
Fund balance - ending			<u>\$ (1,666,670)</u>

Village of Mundelein, Illinois
Tree Fund
Schedule of Revenues, Expenditures, and Changes In
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Tree replacement fee	\$ 7,777	\$ 7,777	\$ 10
Total revenues	<u>7,777</u>	<u>7,777</u>	<u>10</u>
Expenditures			
Highways and streets			
Trees	<u>250,000</u>	<u>250,000</u>	<u>228,784</u>
Net change in fund balance	<u>\$ (242,223)</u>	<u>\$ (242,223)</u>	(228,774)
Fund balance - beginning			<u>(370,020)</u>
Fund balance - ending			<u>\$ (598,794)</u>

**Village of Mundelein, Illinois
Archer Business Center Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Fees	\$ 250,000	\$ 250,000	\$ 173,525
Interest	-	-	-
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>173,525</u>
Expenditures			
Public Works	102,500	102,500	174,623
Total expenditures	<u>102,500</u>	<u>102,500</u>	<u>174,623</u>
 Net change in fund balance	 <u>\$ 147,500</u>	 <u>\$ 147,500</u>	 <u>\$ (1,098)</u>
 Fund balance - beginning			 <u>(1,364,677)</u>
 Fund balance - ending			 <u>\$ (1,365,775)</u>

Village of Mundelein, Illinois
Tax Increment Finance Area #2 Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 796,000	\$ 796,000	\$ 733,479
Investment income	50	50	690
Total revenues	<u>796,050</u>	<u>796,050</u>	<u>734,169</u>
Expenditures			
General government	250,000	250,000	376,867
Public Works	125,000	125,000	-
Debt Service			
Principal	330,000	330,000	400,000
Interest	343,225	343,225	215,293
Issuance costs	-	-	94,505
Total expenditures	<u>1,048,225</u>	<u>1,048,225</u>	<u>1,086,665</u>
Other financing sources (uses)			
Refunding bond proceeds	-	-	5,565,000
Premium on bonds issued	-	-	526,897
Payment to escrow agent	-	-	(5,997,392)
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>94,505</u>
Net change in fund balance	<u>\$ (252,175)</u>	<u>\$ (252,175)</u>	<u>(257,991)</u>
Fund balance - beginning			<u>(461,265)</u>
Fund balance - ending			<u>\$ (719,256)</u>

**Village of Mundelein, Illinois
Equipment Replacement Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
General fines	\$ 30,000	\$ 30,000	\$ 30,226
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>30,226</u>
Expenditures			
General Government	35,000	35,000	28,652
Public safety	410,000	410,000	660,678
Public works	<u>377,000</u>	<u>377,000</u>	<u>357,420</u>
Total expenditures	<u>822,000</u>	<u>822,000</u>	<u>1,046,750</u>
Deficiency of revenues over expenditures	(792,000)	(792,000)	(1,016,524)
Other financing sources			
Transfers in	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
Net change in fund balance	<u>\$ (92,000)</u>	<u>\$ (92,000)</u>	(316,524)
Fund balance - beginning			<u>725,906</u>
Fund balance - ending			<u>\$ 409,382</u>

NONMAJOR DEBT SERVICE FUND

General Obligation Bond Fund – To accumulate monies for the payment of the \$7,100,000 General Obligation bonds Series 2010A, which are due in annual installments plus interest until maturity in 2030; to accumulate monies for the payment of the \$9,135,000 General Obligation Refunding bonds Series 2010B, which are due in annual installments plus interest until maturity in 2019, to accumulate monies for the payment of the \$3,210,000 General Obligation Refunding bonds Series 2013, which are due in annual installments plus interest until maturity in 2021; and to accumulate monies for the payment of the \$5,565,000 General Obligation Refunding 2017 bonds, which are due in annual installments plus interest until maturity in 2030. Financing is provided by specific annual property tax levies. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt. The 2010A bonds were issued to pay for land acquisition, demolition of structures and infrastructure improvements. The 2010B bonds were issued to pay the cost of refunding the 1998 General Obligation bonds and to pay the cost of the advance refunding of the 1999 General Obligation bonds. The 2013 bonds were issued to pay the cost of refunding the 2005 General Obligation bonds. The 2017 bonds were issued to pay the cost of refunding the 2010A General Obligation bonds.

Village of Mundelein, Illinois
General Obligation Bond Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 980,000	\$ 980,000	\$ 982,749
Total revenues	<u>980,000</u>	<u>980,000</u>	<u>982,749</u>
Expenditures			
Debt service			
Principal	1,525,000	1,525,000	1,525,000
Interest	<u>180,488</u>	<u>180,488</u>	<u>181,437</u>
Total expenditures	<u>1,705,488</u>	<u>1,705,488</u>	<u>1,706,437</u>
Deficiency of revenues over expenditures	(725,488)	(725,488)	(723,688)
Other financing sources			
Transfer in	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
Net change in fund balance	<u>\$ (515,488)</u>	<u>\$ (515,488)</u>	(513,688)
Fund balance - beginning			<u>907,295</u>
Fund balance - ending			<u>\$ 393,607</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Fund – Accounts for bond proceeds and grants that are restricted for use in specific capital projects of the Village.

Capital Development Fund - This capital projects fund accounts for revenues derived from development fees from contractors for the purpose of meeting the costs of various Village projects and expenditures at the Village's discretion.

Village of Mundelein, Illinois
Capital Projects Funds
Combining Balance Sheet
April 30, 2018

	Capital Projects	Capital Development	Total
Assets			
Cash and investments			
Cash and equivalents	\$ 173,108	\$ 549,437	\$ 722,545
Total Assets	<u>173,108</u>	<u>549,437</u>	<u>722,545</u>
Liabilities			
Accounts Payable	11,856	-	11,856
Unearned Revenue	<u>161,248</u>	<u>-</u>	<u>161,248</u>
Total Liabilities	<u>173,104</u>	<u>-</u>	<u>173,104</u>
Fund Balance			
Restricted for capital outlay	<u>\$ 4</u>	<u>\$ 549,437</u>	<u>\$ 549,441</u>
Total Liabilities and Fund Balance	<u>\$ 173,108</u>	<u>\$ 549,437</u>	<u>\$ 722,545</u>

Village of Mundelein, Illinois
Capital Projects Funds
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
Year Ended April 30, 2018

	Capital Projects	Capital Development	Total
Revenues			
Impact Fees	\$ -	\$ 87,380	\$ 87,380
Grants	217,168	-	217,168
Total Revenues	<u>217,168</u>	<u>87,380</u>	<u>304,548</u>
Expenditures			
General Government	-	15,184	15,184
Public Works	217,168	-	217,168
Total Expenditures	<u>217,168</u>	<u>15,184</u>	<u>232,352</u>
Net Change in Fund Balance	<u>-</u>	<u>72,196</u>	<u>72,196</u>
Fund Balance - Beginning	<u>4</u>	<u>477,241</u>	<u>477,245</u>
Fund Balance - Ending	<u>\$ 4</u>	<u>\$ 549,437</u>	<u>\$ 549,441</u>

**Village of Mundelein, Illinois
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual
Revenues			
Grants	\$ -	\$ -	\$ 217,168
Expenditures			
Public Works			
Engineering	40,000	40,000	27,905
Construction	309,179	309,179	189,263
Total expenditures	349,179	349,179	217,168
Net change in fund balance	<u>\$ (349,179)</u>	<u>\$ (349,179)</u>	-
Fund balance - beginning			<u>4</u>
Fund balance - ending			<u>\$ 4</u>

Village of Mundelein, Illinois
Capital Development Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues			
Impact Fees	\$ 1,000	\$ 1,000	\$ 87,380
Expenditures			
Capital outlay	-	-	15,184
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 72,196</u>
Fund balance - beginning			<u>477,241</u>
Fund balance - ending			<u>\$ 549,437</u>

FIDUCIARY FUNDS

Pension Trust

Police Pension Fund – To account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed police department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by laws and by the Village at amounts determined by the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Firefighters' Pension Fund – To account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed fire department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by laws and by the Village at amounts determined by the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Agency

Special Assessments Fund – An agency fund used to account for the collection of special assessments from property owners and payments of related special assessment liabilities.

Deposits Fund – An agency fund used to account for the collection of security from property owners and developers to assure compliance with municipal codes.

Village of Mundelein, Illinois
Fiduciary Funds
Combining Statement of Fiduciary Net Position - Pension Trust Funds
April 30, 2018

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments			
Cash and equivalents	\$ 824,430	\$ 551,978	\$ 1,376,408
Investments			
U.S. government and agency obligations	5,902,931	1,310,293	7,213,224
Municipal bonds	119,563	227,725	347,288
Corporate bonds	3,158,525	1,620,191	4,778,716
Bond Mutual Funds	-	3,733,378	3,733,378
Stock Mutual funds	8,132,834	12,490,483	20,623,317
Common stock	10,574,644	-	10,574,644
	<u>28,712,927</u>	<u>19,934,048</u>	<u>48,646,975</u>
Receivables			
Accrued interest	53,220	29,536	82,756
Prepays	<u>18,883</u>	<u>2,493</u>	<u>21,376</u>
Total Assets	<u>28,785,030</u>	<u>19,966,077</u>	<u>48,751,107</u>
Liabilities			
Accounts Payable	<u>7,144</u>	<u>5,952</u>	<u>13,096</u>
Net Position			
Restricted for pensions	<u>\$ 28,777,886</u>	<u>\$ 19,960,125</u>	<u>\$ 48,738,011</u>

Village of Mundelein, Illinois
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds
Year Ended April 30, 2018

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions			
Employer	\$ 1,436,044	\$ 616,808	\$ 2,052,852
Participants	509,761	232,416	742,177
	<u>1,945,805</u>	<u>849,224</u>	<u>2,795,029</u>
Investment income			
Net appreciation in fair value of investments	1,788,683	532,052	2,320,735
Investment income	736,904	719,771	1,456,675
Less investment expenses	(158,935)	(49,338)	(208,273)
	<u>2,366,652</u>	<u>1,202,485</u>	<u>3,569,137</u>
Total additions	<u>4,312,457</u>	<u>2,051,709</u>	<u>6,364,166</u>
Deductions			
Administration	47,408	38,581	85,989
Pension benefits and refunds	1,895,829	990,673	2,886,502
Total deductions	<u>1,943,237</u>	<u>1,029,254</u>	<u>2,972,491</u>
Change in net position	2,369,220	1,022,455	3,391,675
Net position restricted for pensions - beginning	<u>26,408,666</u>	<u>18,937,670</u>	<u>45,346,336</u>
Net position restricted for pensions - ending	<u>\$ 28,777,886</u>	<u>\$ 19,960,125</u>	<u>\$ 48,738,011</u>

Village of Mundelein, Illinois
Police Pension Fund
Schedule of Changes in Fiduciary Net Position - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 1,698,300	\$ 1,698,300	\$ 1,436,044
Participants	-	-	509,761
	<u>1,698,300</u>	<u>1,698,300</u>	<u>1,945,805</u>
Investment income			
Net appreciation in fair value of investments	-	-	1,788,683
Investment income	800,000	800,000	736,904
Less investment expenses	<u>(203,500)</u>	<u>(203,500)</u>	<u>(158,935)</u>
	596,500	596,500	2,366,652
Total additions	<u>2,294,800</u>	<u>2,294,800</u>	<u>4,312,457</u>
Deductions			
Administration	200,000	200,000	47,408
Pension benefits and refunds	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,895,829</u>
Total deductions	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,943,237</u>
Change in net position	<u>\$ 294,800</u>	<u>\$ 294,800</u>	2,369,220
Net position restricted for pensions - beginning			<u>26,408,666</u>
Net position restricted for pensions - ending			<u>\$ 28,777,886</u>

Village of Mundelein, Illinois
Firefighters' Pension Fund
Schedule of Changes in Fiduciary Net Position - Budget and Actual
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 660,000	\$ 660,000	\$ 616,808
Participants	-	-	232,416
	<u>660,000</u>	<u>660,000</u>	<u>849,224</u>
Investment income			
Net appreciation in fair value of investments	-	-	532,052
Investment income	500,000	500,000	719,771
Less investment expenses	(100,000)	(100,000)	(49,338)
	<u>400,000</u>	<u>400,000</u>	<u>1,202,485</u>
Total additions	<u>1,060,000</u>	<u>1,060,000</u>	<u>2,051,709</u>
Deductions			
Administration	100,000	100,000	38,581
Pension benefits and refunds	<u>900,000</u>	<u>900,000</u>	<u>990,673</u>
Total deductions	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,029,254</u>
Change in net position	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>1,022,455</u>
Net position restricted for pensions - beginning			<u>18,937,670</u>
Net position restricted for pensions - ending			<u>\$ 19,960,125</u>

**Village of Mundelein, Illinois
Agency Funds
Combining Statement of Assets and Liabilities
April 30, 2018**

	Special Assessments Fund	Deposits Fund	Totals
All Funds			
Assets			
Cash and equivalents	\$ 802,661	\$ 266,696	\$ 1,069,357
Total assets	<u>\$ 802,661</u>	<u>\$ 266,696</u>	<u>\$ 1,069,357</u>
Liabilities			
Deposits payable	\$ -	\$ 266,696	\$ 266,696
Other liabilities	<u>802,661</u>	<u>-</u>	<u>802,661</u>
Total liabilities	<u>\$ 802,661</u>	<u>\$ 266,696</u>	<u>\$ 1,069,357</u>

Village of Mundelein, Illinois
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
Year Ended April 30, 2018

	Balances May 1	Additions	Deductions	Balances April 30
All Funds				
Assets				
Cash and equivalents	\$ 1,217,764	\$ 367,693	\$ 516,100	\$ 1,069,357
Total assets	<u>\$ 1,217,764</u>	<u>\$ 367,693</u>	<u>\$ 516,100</u>	<u>\$ 1,069,357</u>
Liabilities				
Deposits payable	\$ 415,103	\$ 367,693	\$ 516,100	\$ 266,696
Other liabilities	<u>802,661</u>	<u>-</u>	<u>-</u>	<u>802,661</u>
Total liabilities	<u>\$ 1,217,764</u>	<u>\$ 367,693</u>	<u>\$ 516,100</u>	<u>\$ 1,069,357</u>
Special Assessments Fund				
Assets				
Cash and equivalents	<u>\$ 802,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,661</u>
Liabilities				
Other liabilities	<u>\$ 802,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,661</u>
Deposits Fund				
Assets				
Cash and equivalents	<u>\$ 415,103</u>	<u>\$ 367,693</u>	<u>\$ 516,100</u>	<u>\$ 266,696</u>
Liabilities				
Deposits payable	<u>\$ 415,103</u>	<u>\$ 367,693</u>	<u>\$ 516,100</u>	<u>\$ 266,696</u>

OTHER SUPPLEMENTAL DATA

**Village of Mundelein, Illinois
Long-Term Debt Requirements
Taxable General Obligation Bond Series of 2010A
April 30, 2018**

Date of Issue	July 15, 2010
Date of Maturity	December 15, 2030
Authorized Issue	\$7,100,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 3.0% to 6.0%
Interest Dates	June 15 and December 15
Call Date	December 15, 2019

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2017	345,000	328,914	673,914	2018	164,457	2018	164,457
2018	355,000	16,419	371,419	2019	8,210	2019	8,209
	<u>\$ 700,000</u>	<u>\$ 345,333</u>	<u>\$ 1,045,333</u>		<u>\$ 172,667</u>		<u>\$ 172,666</u>

Maturity years 2020-2030 refunded by 2017 bonds

Village of Mundelein, Illinois
Long-Term Debt Requirements
General Obligation Refunding Bond Series of 2010B
April 30, 2018

Date of Issue	July 15, 2010
Date of Maturity	December 1, 2019
Authorized Issue	\$9,135,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 2.0% to 3.25%
Interest Dates	June 15 and December 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2017	1,135,000	72,238	1,207,238	2018	36,119	2018	36,119
2018	1,175,000	38,188	1,213,188	2019	19,094	2019	19,094
	<u>\$ 2,310,000</u>	<u>\$ 110,427</u>	<u>\$ 2,420,427</u>		<u>\$ 55,213</u>		<u>\$ 55,214</u>

**Village of Mundelein, Illinois
Long-Term Debt Requirements
General Obligation Refunding Bonds of 2013
April 30, 2018**

Date of Issue	December 18, 2013
Date of Maturity	December 15, 2021
Authorized Issue	\$3,210,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 3.0% to 4.0%
Interest Dates	June 15 and December 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2017	435,000	64,150	499,150	2018	32,075	2018	32,075
2018	450,000	51,100	501,100	2019	25,550	2019	25,550
2019	460,000	37,600	497,600	2020	18,800	2020	18,800
2020	480,000	19,200	499,200	2021	9,600	2021	9,600
	<u>\$ 1,825,000</u>	<u>\$ 172,050</u>	<u>\$ 1,997,050</u>		<u>\$ 86,025</u>		<u>\$ 86,025</u>

Village of Mundelein, Illinois
Long-Term Debt Requirements
General Obligation Refunding Bonds of 2017
April 30, 2018

Date of Issue November 9, 2017
Date of Maturity December 15, 2030
Authorized Issue \$5,565,000
Denomination of Bonds \$ 5,000
Interest Rates Varies from 2.0% to 4.0%
Interest Dates June 15 and December 15

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2017	25,000	215,250	240,250	2018	107,625	2018	107,625
2018	30,000	214,750	244,750	2019	107,375	2019	107,375
2019	405,000	214,150	619,150	2020	107,075	2020	107,075
2020	415,000	202,000	617,000	2021	101,000	2021	101,000
2021	430,000	189,550	619,550	2022	94,775	2022	94,775
2022	440,000	176,650	616,650	2023	88,325	2023	88,325
2023	465,000	154,650	619,650	2024	77,325	2024	77,325
2024	490,000	131,400	621,400	2025	65,700	2025	65,700
2025	510,000	111,800	621,800	2026	55,900	2026	55,900
2026	535,000	91,400	626,400	2027	45,700	2027	45,700
2027	560,000	70,000	630,000	2028	35,000	2028	35,000
2028	585,000	47,600	632,600	2029	23,800	2029	23,800
2029	605,000	24,200	629,200	2030	12,100	2030	9,600
	<u>\$ 5,495,000</u>	<u>\$ 1,843,400</u>	<u>\$ 7,338,400</u>		<u>\$ 921,700</u>		<u>\$ 919,200</u>

**Village of Mundelein, Illinois
Long-Term Debt Requirements
Illinois Environmental Protection Agency Loan
April 30, 2018**

Date of Issue	October 1, 1998
Date of Maturity	October 1, 2018
Authorized Issue	\$5,300,000
Interest Rate	2.89%
Interest Dates	April 1 and October 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	October 1	Amount	April 1	Amount
2019	<u>172,892</u>	<u>2,498</u>	<u>175,390</u>	2018	<u>2,498</u>	2019	<u>-</u>
	<u>\$ 172,892</u>	<u>\$ 2,498</u>	<u>\$ 175,390</u>		<u>\$ 2,498</u>		<u>\$ -</u>

Village of Mundelein, Illinois
Schedule of Insurance in Force
April 30, 2018
(Unaudited)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

<u>Policy</u>	<u>Coverage</u>
General Liability	\$ 10,000,000
Police Professional	
Employee Benefits	
Professional liability (Fire/Paramedic)	
Auto Liability	10,000,000
Uninsured/under-insured Motorist	500,000
Public Officials Liability	10,000,000
Worker's Compensation	101,500,000
Employer's Liability	2,500,000
First Party Property - All Risk	250,000,000 per occurrence
Flood Zone A	3,500,000
Scheduled Emergency Vehicles-Agreed Value	Scheduled
Boiler Machinery	50,000,000
Crime	
Employee Theft	5,000,000
Forgery or Alteration	5,000,000
Credit Card Forgery	5,000,000
Computer Fraud	5,000,000
Inside Theft, Robbery, & Safe Burglary	2,500,000
Public Officials Bonds	
Mayor/President, Treasurer, Clerk	Blanket: Statutory Limits
Special District Trustees	

STATISTICAL SECTION
(Unaudited)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	114-117
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	
Revenue Capacity	118-125
These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	
Debt Capacity	126-128
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	
Demographic and Economic Information	129-131
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	132-134
These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	
Equalized Assessed Valuation	135-137
These schedules contain information that reflects land parcel information for the Village.	
Sources:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Village of Mundelein, Illinois
Net Position by Component
Last Ten Fiscal Years
April 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 76,816,229	\$ 79,260,856	\$ 81,086,809	\$ 84,628,430	\$ 86,702,547	\$ 95,700,424	\$ 97,232,588	\$ 101,203,959	\$ 105,640,469	\$ 109,733,224
Restricted	8,924,754	8,578,861	11,306,734	13,063,745	15,054,859	9,431,517	6,102,373	5,318,609	5,685,264	4,711,772
Unrestricted	17,375,252	15,652,986	15,844,200	18,667,055	18,597,246	14,725,463	15,047,322	(25,711,290)	(31,028,080)	(36,845,316)
Total	103,116,235	103,492,703	108,237,743	116,359,230	120,354,652	119,857,404	118,382,283	80,811,278	80,297,653	77,599,680
Business-type Activities										
Net Investment in Capital Assets	33,096,650	32,335,193	31,376,554	33,646,840	33,164,657	32,518,905	32,724,190	34,159,465	36,784,278	39,674,688
Restricted	6,483,245	6,797,229	6,990,152	8,580,919	7,574,088	6,578,102	4,441,222	2,977,402	4,481,203	4,587,759
Unrestricted	1,251,377	1,845,101	2,609,393	2,453,343	1,346,749	1,402,471	1,961,560	404,711	(2,639,335)	(4,606,823)
Total	40,831,272	40,975,523	40,976,099	44,681,102	42,085,494	40,499,478	39,126,972	37,546,578	38,626,146	39,655,624
Primary Government										
Net Investment in Capital Assets	109,912,879	111,594,049	112,463,363	118,275,270	119,867,204	128,219,329	129,956,778	135,363,424	142,424,747	149,407,912
Restricted	15,407,999	15,376,090	18,296,886	21,644,664	22,628,947	16,009,619	10,543,595	8,291,011	10,166,467	9,299,531
Unrestricted	18,626,629	17,498,087	18,453,593	21,120,398	19,943,995	16,127,934	17,008,882	(25,296,579)	(33,567,415)	(41,482,139)
Total	143,947,507	144,468,226	149,213,842	161,040,332	162,440,146	160,356,882	157,509,255	118,357,856	118,923,799	117,255,304

Data Source:
Audited Financial Statements

Village of Mundelein, Illinois
Change in Net Position
Last Ten Fiscal Years
April 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 6,556,476	\$ 6,525,657	\$ 8,387,371	\$ 7,391,519	\$ 4,711,710	\$ 6,211,189	\$ 6,990,256	\$ 7,307,202	\$ 6,606,436	\$ 7,485,857
Public Safety	14,395,607	17,212,142	15,477,586	15,925,566	16,473,332	15,800,231	16,877,966	20,810,134	21,553,196	20,435,488
Public Works	6,218,320	4,209,027	1,555,992	4,799,144	7,775,096	8,611,308	9,390,090	9,582,746	8,289,489	7,400,582
Interest	680,929	524,898	789,581	623,233	951,794	689,637	519,827	387,012	536,488	421,074
Total Governmental Activities Expenses	28,235,332	28,671,724	26,381,862	28,743,862	29,892,934	31,311,465	33,877,139	38,267,094	36,883,019	35,745,001
Business-type Activities										
Waterworks and Sewerage	8,672,138	8,121,276	8,277,120	8,174,510	11,089,801	9,135,371	9,545,067	9,278,438	8,798,574	8,731,120
Total Primary Government Expenses	36,907,470	36,795,000	34,658,982	36,918,372	41,042,735	40,446,796	43,423,206	47,545,532	45,683,293	44,476,121
Governmental Activities										
Charges for Services										
General Government	1,713,508	1,273,398	1,046,464	1,804,761	2,328,955	2,508,367	2,680,237	3,116,975	2,903,335	3,002,865
Public Safety	1,572,135	1,526,768	1,784,929	1,777,233	841,343	889,825	904,717	1,885,135	1,897,146	1,674,800
Public Works	1,336,032	978,495	892,685	306,328	258,928	1,326,760	1,364,838	1,965,881	302,690	142,470
Operating Grants and Contributions	944,630	678,020	942,381	3,432,027	2,030,018	1,376,760	1,364,838	1,965,881	302,690	142,470
Capital Grants and Contributions	624,101	310,260	134,341	3,351,838	-	92,835	-	4,158,118	1,010,326	1,010,326
Total Governmental Activities Program Revenues	6,190,406	4,769,541	4,800,520	10,472,180	5,460,245	4,822,782	4,952,792	6,767,921	9,051,289	5,830,461
Business-type Activities										
Charges for Services										
Waterworks and Sewerage	6,589,571	7,211,336	7,801,968	7,787,942	8,170,874	7,750,160	8,025,812	8,635,952	9,484,734	9,596,655
Operating Grants and Contributions	13,376	994,551	335,411	3,880,408	139,555	45,486	84,840	100,005	450,470	292,425
Capital Grants and Contributions	138,804	8,295,987	8,137,197	11,668,150	8,319,428	7,775,646	8,110,652	8,735,957	9,945,204	9,889,080
Total Business-type Activities Program Revenues	6,742,751	12,977,928	12,938,576	22,160,500	13,770,874	12,555,833	13,081,444	15,500,948	19,000,408	15,719,541
Total Primary Government Program Revenues	\$ 12,933,157	\$ 12,977,928	\$ 12,938,576	\$ 22,160,500	\$ 13,770,874	\$ 12,555,833	\$ 13,081,444	\$ 15,500,948	\$ 19,000,408	\$ 15,719,541
Net (Expense) Revenue	\$ (22,044,926)	\$ (23,904,783)	\$ (21,381,062)	\$ (18,271,682)	\$ (24,492,889)	\$ (16,488,878)	\$ (28,920,347)	\$ (31,499,103)	\$ (27,823,730)	\$ (29,914,540)
Business-type Activities	\$ (1,329,387)	\$ 83,711	\$ (134,723)	\$ 3,493,540	\$ (2,779,372)	\$ (1,439,415)	\$ (1,439,415)	\$ (541,481)	\$ (1,439,415)	\$ (1,439,415)
Total Primary Government Net (Expense) Revenue	\$ (23,374,313)	\$ (23,821,072)	\$ (21,515,785)	\$ (14,778,142)	\$ (27,272,261)	\$ (17,928,293)	\$ (30,359,762)	\$ (32,940,584)	\$ (29,263,145)	\$ (31,353,955)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes and Intra-governmental										
Property tax	10,122,301	11,388,577	11,244,158	11,419,023	11,872,308	11,874,166	12,286,672	12,510,448	12,526,637	13,346,143
Sales tax	4,805,730	4,391,062	4,496,336	4,870,397	4,617,050	4,791,090	4,920,578	5,127,786	5,117,877	5,017,897
Home rule sales tax	3,461,615	3,070,632	3,182,449	3,297,042	3,280,729	3,406,534	3,628,775	3,575,175	3,575,175	3,330,464
Income tax	2,785,702	1,746,048	3,653,567	2,356,474	2,933,945	2,482,799	3,042,240	3,310,567	2,835,319	2,815,942
Use tax	659,892	343,008	473,595	443,440	468,515	545,005	640,703	730,783	764,571	821,478
Hotel occupation tax	301,135	231,341	252,141	283,060	305,535	310,767	328,075	345,933	343,111	336,341
9-1-1 surcharge tax	383,669	275,443	309,447	276,448	309,617	272,591	278,594	280,405	365,485	327,882
Road and Bridge tax	85,516	150,757	153,244	152,806	173,446	160,652	158,075	154,088	157,238	146,466
Replacement tax	1,017,584	968,872	889,548	862,359	1,102,042	1,071,036	1,068,393	904,337	832,689	763,659
Telecommunications tax	131,541	716,460	651,797	698,515	700,628	623,833	39,007	41,704	50,094	47,296
Other tax	1,184,807	389,634	796,401	1,210,024	365,081	2,030	490,000	273,262	61,275	15,806
Investment income	407,781	531,227	121,118	341,784	295,296	278,969	487,169	49,007	403,205	94,331
Miscellaneous	(3,551,501)									
Transfers	21,670,549	24,281,151	25,326,102	26,393,189	26,595,720	25,991,430	27,445,226	27,503,855	27,319,105	27,216,567
Total Governmental Activities	250,674	60,540	138,099	211,063	45,870	(126,341)	61,909	29,395	(67,352)	(128,482)
Business-type Activities	364,385									
Investment income	3,551,501									
Miscellaneous										
Transfers	4,166,570	60,540	138,099	211,063	45,870	(126,341)	61,909	29,395	(67,352)	(128,482)
Total Business-type Activities	25,287,119	24,341,691	26,464,201	26,604,122	26,641,590	25,765,089	27,507,135	27,533,150	27,242,453	27,088,085
Total Primary Government Change in Net Position	\$ (374,377)	\$ 378,468	\$ 4,745,040	\$ 8,121,486	\$ 2,103,031	\$ (497,448)	\$ (1,475,121)	\$ (3,995,448)	\$ (513,625)	\$ (2,697,973)
Governmental Activities	2,287,183	144,251	576	3,705,009	(2,733,502)	(1,586,016)	(1,372,506)	(519,186)	1,079,568	1,029,478
Business-type Activities	1,862,806	\$ 210,719	\$ 4,745,516	\$ 11,826,489	\$ (630,471)	\$ (2,083,264)	\$ (2,847,627)	\$ (4,508,434)	\$ 565,945	\$ (1,668,495)
Total Primary Government Change in Net Position										
Data Source										
Audited Financial Statements										

Village of Mundelein, Illinois
Fund Balances of Governmental Funds
Last Ten Fiscal Years
April 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 474,948	\$ 496,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,928,798	16,007,136	-	-	-	-	-	-	-	-
Nonspendable	-	-	434,466	423,359	391,169	1,917,838	2,202,925	1,574,277	1,585,940	1,369,421
Restricted	-	-	-	46,111	26,115	36,886	74,395	217,985	274,237	351,239
Committed	-	-	2,501,720	1,302,115	-	-	-	-	-	-
Assigned	-	-	5,317,476	7,622,508	-	-	-	-	-	-
Unassigned	-	-	7,425,470	9,499,418	14,093,330	12,226,231	11,752,626	11,959,519	11,023,908	10,239,771
Total General Fund	\$ 17,403,746	\$ 16,504,102	\$ 15,679,132	\$ 18,893,511	\$ 14,510,614	\$ 14,180,955	\$ 14,029,946	\$ 13,751,781	\$ 12,884,085	\$ 11,960,431
All Other Governmental Funds										
Reserved	\$ 767,804	\$ 790,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - designated - Special Revenue Funds	6,875,527	5,398,214	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	1,975,946	2,522,229	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	859,206	673,093	-	-	-	-	-	-	-	-
Nonspendable	-	-	808	39,850	-	209,499	-	-	250,000	-
Restricted	-	-	11,745,186	13,233,911	15,299,184	9,635,402	8,152,508	5,315,626	5,411,027	4,504,376
Committed	-	-	90,000	382,660	-	-	-	-	-	-
Assigned	-	-	77,563	4	4,600,920	1,301,174	864,338	1,255,764	930,227	831,031
Unassigned	-	-	-	-	(115,556)	(145,159)	(535,818)	(2,475,020)	(3,692,277)	(4,722,182)
Total All Other Governmental Funds	\$ 10,478,483	\$ 9,383,947	\$ 11,913,557	\$ 13,656,425	\$ 19,784,548	\$ 11,000,916	\$ 8,481,028	\$ 4,106,370	\$ 2,898,977	\$ 613,225

Data Source:
Audited Financial Statements

GASB Statement No. 54 was implemented in FY2011

Village of Mundelein, Illinois
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
April 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 15,482,662	\$ 16,805,682	\$ 16,883,584	\$ 17,019,253	\$ 17,744,793	\$ 17,719,989	\$ 17,695,443	\$ 17,836,896	\$ 18,026,858	\$ 18,448,813
Licenses and Permits	1,826,631	1,328,486	1,383,785	940,320	649,878	538,495	750,040	895,669	825,654	1,065,261
Intergovernmental	8,971,025	7,358,692	8,442,199	8,794,721	9,220,867	9,435,954	9,802,185	10,137,272	9,806,130	9,449,275
Fines and Forfeitures	680,561	648,986	773,175	853,896	795,598	741,475	725,813	719,569	741,261	802,561
Charges for Services	1,211,375	1,014,058	1,055,247	9,900,022	1,872,502	1,960,075	1,933,397	2,451,547	2,152,815	2,145,323
Investment Income	1,194,807	393,694	774,138	1,210,024	355,081	2,030	490,400	275,262	61,275	15,806
Fees	68,883	105,830	130,494	126,747	112,249	103,632	198,450	436,350	782,194	494,898
Grants	916,188	758,634	545,870	852,862	1,009,887	425,517	139,435	1,324,909	3,583,527	311,779
Donations	28,442	104,693	28,790	130,704	134,398	125,806	176,504	161,199	182,702	210,672
Miscellaneous	407,781	531,227	415,697	341,784	295,296	278,969	487,169	138,892	476,083	68,617
Total Revenues	30,788,355	29,048,192	30,034,573	33,509,633	32,190,349	31,331,942	32,401,036	34,371,565	36,458,500	39,013,946
Expenditures										
Current										
General Government	7,443,616	6,735,382	15,311,637	7,209,705	7,131,795	6,185,404	6,747,899	8,680,315	6,811,118	7,127,220
Public Safety	13,713,579	14,712,578	13,701,487	13,852,176	14,550,171	15,250,078	16,449,094	16,035,462	16,368,839	17,072,724
Public Works	6,381,457	6,333,632	9,512,911	4,691,030	6,271,413	7,030,561	7,271,490	10,974,618	11,119,198	8,243,218
Pension Contributions	1,671,035	1,694,927	1,570,964	1,578,172	1,668,697	1,778,749	1,841,960	1,866,512	1,830,147	1,891,827
Capital Outlay	-	-	-	-	-	8,333,665	703,896	-	-	-
Debt Service	885,000	925,000	690,000	885,000	1,190,000	1,225,000	1,410,000	1,745,000	1,790,000	1,925,000
Principal	678,625	640,653	810,218	386,303	916,978	715,346	647,654	622,481	574,287	491,235
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	30,773,306	31,042,572	35,597,217	28,552,386	31,729,054	40,528,804	35,071,933	39,024,388	38,513,589	36,751,224
Excess of Revenues over (under) Expenditures	15,049	(1,994,180)	(5,562,244)	4,957,247	461,295	(9,196,862)	(2,670,897)	(4,652,823)	(2,075,089)	(3,737,278)
Other financing Sources (Uses)										
Transfers In	408,979	691,323	792,000	650,500	6,746,268	1,350,000	1,755,000	1,310,000	1,010,000	1,035,000
Transfers Out	(408,979)	(691,323)	(792,000)	(650,500)	(6,746,268)	(1,350,000)	(1,755,000)	(1,310,000)	(1,010,000)	(1,035,000)
Proceeds from capital assets	-	-	-	-	-	-	-	-	-	433,367
Bonds Issued	-	-	16,235,000	-	-	3,210,000	-	-	-	5,965,000
Payment to bond escrow agent	-	-	(9,144,369)	-	-	(3,372,952)	-	-	-	(5,997,392)
Premium on long term debt	-	-	176,253	-	-	246,523	-	-	-	526,897
Total Other Financing Sources (Uses)	-	-	7,266,884	-	-	83,571	-	-	-	527,872
Net Change in Fund Balances	15,049	(1,994,180)	1,704,640	4,957,247	461,295	(9,113,291)	(2,670,897)	(4,652,823)	(2,075,089)	(3,209,406)
Debt Service as a Percentage of Noncapital Expenditures	0.05	0.05	0.06	0.05	0.07	0.06	0.06	0.07	0.07	0.08
Data Source										
Audited Financial Statements										

Village of Mundelein, Illinois
Assessed Value and Actual Value of Taxable Property
Last Ten Levy Years
April 30, 2018

Levy Year	Residential Property	Commercial Property	Industrial Property	Equalized Assessed Value	Village Direct Tax Rate	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Equalization Factor
2008	\$ 761,748,154	\$ 135,791,259	\$ 70,609,621	\$ 968,152,034	1.143	7.890	\$ 3,227,173,446	33.33
2009	759,119,422	137,493,895	71,386,700	968,000,017	1.179	8.034	3,226,666,723	33.33
2010	725,959,487	136,138,445	71,055,091	933,153,023	1.227	8.643	3,110,510,076	33.33
2011	678,573,511	134,404,525	72,742,375	885,720,411	1.344	9.448	2,857,161,233	33.33
2012	602,194,877	130,243,740	70,878,291	803,316,908	1.481	10.690	2,609,950,724	33.33
2013	561,085,737	126,607,916	68,265,305	755,958,958	1.573	11.644	2,467,876,874	33.33
2014	542,529,332	123,752,325	67,738,477	734,020,134	1.616	12.228	2,402,060,402	33.33
2015	562,771,479	123,932,778	68,172,819	754,877,076	1.571	11.972	2,464,631,228	33.33
2016	624,304,025	143,709,817	78,053,834	803,467,616	1.563	11.449	2,610,402,848	33.33
2017	657,050,088	151,613,857	82,346,795	846,067,676	1.559	11.310	2,738,203,028	33.33

Data Source
Lake County Aggregate Property Tax Information Database

Tax Rate per \$100 EAV

Note : Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

(1) Fremont Township - Rate includes all taxing districts

Village of Mundelein, Illinois
Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years
April 30, 2018

Tax Levy Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tax Rate per \$100 of EAV										
Direct Rates										
Village of Mundelein	1.143	1.179	1.227	1.344	1.481	1.573	1.616	1.571	1.563	1.559
In Libertyville Township	1.143	1.179	1.227	1.344	1.481	1.573	1.616	1.571	1.563	1.559
In Fremont Township	1.143	1.179	1.227	1.344	1.481	1.573	1.616	1.571	1.563	1.559
In Vernon Township										
Overlapping Rates										
Lake County	0.453	0.464	0.505	0.554	0.608	0.663	0.682	0.663	0.632	0.622
Lake County Forest Preserve District	0.199	0.200	0.198	0.201	0.212	0.218	0.211	0.218	0.193	0.187
Central Lake County Joint										
Water Action Water Agency	0.042	0.042	0.045	0.047	0.052	0.055	0.056	0.054	0.046	0.041
Libertyville Township	0.058	0.059	0.058	0.060	0.065	0.069	0.070	0.065	0.064	0.060
Libertyville Township Road and Bridge	0.044	0.045	0.048	0.051	0.057	0.062	0.064	0.063	0.060	0.059
Fremont Township	0.110	0.113	0.113	0.118	0.118	0.126	0.127	0.124	0.115	0.110
Fremont Township Road and Bridge	0.026	0.026	0.025	0.038	0.032	0.033	0.032	0.032	0.028	0.027
Fremont Gravel	0.096	0.099	0.100	0.100	0.110	0.119	0.125	0.123	0.119	0.117
Vernon Township	0.049	0.050	0.054	0.057	0.060	0.065	0.066	0.059	0.061	0.056
Vernon Township Road and Bridge	0.022	0.023	0.023	0.024	0.026	0.027	0.027	0.026	0.024	0.022
Vernon Gravel	0.021	0.021	0.025	0.011	0.020	0.013	0.020	0.020	0.019	0.022
Cook Memorial Library District	0.222	0.223	0.238	0.254	0.282	0.303	0.312	0.304	0.289	0.284
Fremont Library District	0.317	0.325	0.347	0.381	0.430	0.458	0.489	0.483	0.457	0.358
Vernon Area Library District	0.222	0.226	0.241	0.261	0.291	0.331	0.317	0.308	0.293	0.291
Mundelein Park and Rec. District	0.366	0.363	0.387	0.418	0.460	0.492	0.515	0.503	0.478	0.466
Vernon Hills Park District	0.344	0.317	0.427	0.450	0.496	0.445	0.455	0.458	0.419	0.416
School District #70	2.278	2.283	2.431	2.518	2.839	2.993	3.079	3.046	2.887	2.810
School District #73	2.878	2.899	3.081	3.306	3.678	3.997	4.117	4.033	3.871	3.825
School District #75	3.207	3.260	3.511	3.842	4.476	4.956	5.240	5.141	4.912	4.798
School District #76	3.378	3.362	3.327	3.337	4.098	4.442	4.737	4.871	4.680	4.567
School District #79	2.435	2.485	2.663	2.937	3.267	3.521	3.606	3.514	3.298	3.209
High School District #120	1.735	1.763	1.967	2.165	2.439	2.645	2.828	2.771	2.554	2.552
High School District #125	2.139	2.185	2.306	2.465	2.751	2.989	3.049	3.004	2.858	2.862
High School District #128	2.163	2.179	2.324	2.399	2.580	2.919	2.887	2.732	2.532	2.494
Community College District #532	0.196	0.200	0.218	0.240	0.272	0.296	0.306	0.299	0.285	0.281
Representative Tax Rate (Fremont Township)	7.890	8.034	8.643	9.448	10.690	11.644	12.228	11.825	11.449	11.117

Data Source
Lake County Clerk's Office

Village of Mundelein, Illinois
Principal Property Taxpayers
Current Tax Year and Nine Years Ago
April 30, 2018

Taxpayer	Type of Business	2017			2008		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Park Butterfield Apartment Assoc, LLC	Apartment Buildings	\$ 10,558,879	1	1.25 %	\$ 9,001,463	1	0.99 %
Medline Industries	Hospital Supplies	7,097,301	2	0.84	7,174,015	3	0.79
Sysmex	Medical Products	6,550,621	3	0.77	-	-	-
Mundelein 83	Commercial Retail	5,867,049	4	0.69	8,385,010	2	0.95
Centro Bradley Long Meadow LLC	Commercial Retail	4,061,284	5	0.48	4,852,340	4	0.53
Target Corporation	Department Store	3,719,181	6	0.44	4,637,423	5	0.51
Hickory Walnut, LLC	Apartment Buildings	3,401,461	7	0.40	-	-	-
Townline Retail Investment LLC	Commercial Retail	3,142,636	8	0.37	-	-	-
JEH Limited Partnership	Commercial Retail	3,047,088	9	0.36	2,697,573	8	0.30
Paul R Binder	Commercial Retail	2,269,636	10	0.27	-	-	-
Oak Creek Plaza, LLC	Commercial Retail	-	-	-	4,186,134	6	0.46
Apex Investment Associates	Supermarket	-	-	-	3,479,431	7	0.38
Home Depot USA Inc	Retail Store	-	-	-	2,609,739	9	0.29
Wintrust Asset Management Company	Commercial Retail	-	-	-	2,588,917	10	0.28
		<u>\$ 49,716,136</u>		<u>4.63 %</u>	<u>\$ 49,612,045</u>		<u>4.49 %</u>

NOTE:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois
Property Tax Levies and Collections
Last Ten Levy Years
April 30, 2018

Fiscal Year End	Tax Levy Year	Tax Extension	Collected within the		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year after the Levy	Percentage of Levy		Amount	Percentage of Levy
2009	2007	\$ 10,135,539	\$ 10,122,229	1.00	13,310	\$ 10,135,539	1.00
2010	2008	11,065,978	11,034,845	1.00	31,132	11,065,978	1.00
2011	2009	11,412,720	11,398,001	1.00	14,719	11,412,720	1.00
2012	2010	11,449,788	11,436,819	1.00	461	11,437,280	1.00
2013	2011	11,904,082	11,871,824	1.00	1,881	11,873,705	1.00
2014	2012	11,897,123	11,872,525	1.00	1,272	11,873,797	1.00
2015	2013	11,896,301	11,820,504	0.99	2,402	11,822,906	0.99
2016	2014	11,863,762	11,822,804	1.00	578	11,823,382	1.00
2017	2015	11,859,987	11,819,908	1.00	-	11,819,908	1.00
2018	2016	12,559,782	12,552,000	1.00	-	12,552,000	1.00

Data Source

Lake County Tax Extension Office

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Village of Mundelein, Illinois
Taxable Sales by Category
Last Ten Calendar Years
April 30, 2018

Municipal Sales Taxes

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 716,131	\$ 680,530	\$ 695,020	\$ 706,597	\$ 723,821	\$ 742,306	\$ 747,766	\$ 756,748	\$ 703,664	\$ 651,113
Food	921,928	882,844	830,442	826,907	791,409	835,618	686,442	736,270	739,790	926,229
Drinking and Eating Places	466,801	434,579	445,343	460,477	468,118	492,433	514,102	535,996	551,087	580,169
Apparel	73,250	69,538	67,134	71,689	74,480	78,326	79,535	76,763	71,961	72,891
Furniture & H.H. & Radio	281,482	250,207	232,977	223,888	155,316	119,750	109,213	93,604	133,621	135,681
Lumber, Building Hardware	382,672	304,897	308,309	327,525	346,973	354,901	278,578	309,541	349,354	340,300
Automobile and Filling Stations	690,098	519,028	581,000	651,264	630,811	628,970	620,780	600,469	617,334	663,463
Drugs and Miscellaneous Retail	650,280	624,826	748,779	839,534	891,931	943,520	1,299,859	1,263,525	1,303,502	928,530
Agriculture and All Others	771,036	490,011	471,140	455,417	434,105	455,754	554,295	578,770	562,039	546,792
Manufacturers	162,658	70,370	62,429	69,775	69,603	92,444	306,601	101,610	117,697	114,167
Total	\$ 5,116,334	\$ 4,326,831	\$ 4,442,572	\$ 4,633,072	\$ 4,586,566	\$ 4,744,021	\$ 4,997,171	\$ 5,053,296	\$ 5,150,049	\$ 4,959,335

Home Rule Sales Taxes

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 469,045	\$ 433,709	\$ 448,256	\$ 442,816	\$ 460,682	\$ 471,424	\$ 466,277	\$ 482,890	\$ 489,605	\$ 489,065
Food	203,746	211,565	209,592	219,874	203,558	210,285	166,748	277,982	259,839	315,028
Drinking and Eating Places	445,794	414,538	421,330	435,811	455,548	480,364	503,904	526,769	540,624	570,371
Apparel	73,490	69,577	66,962	71,650	74,453	75,964	78,221	76,687	71,929	72,862
Furniture & H.H. & Radio	281,225	250,211	232,727	223,735	155,249	119,622	109,058	93,349	133,623	135,684
Lumber, Building Hardware	380,369	302,783	306,409	325,511	344,800	353,074	278,861	309,426	349,209	340,149
Automobile and Filling Stations	474,618	392,557	419,495	502,741	486,716	481,173	429,419	361,227	320,501	369,906
Drugs and Miscellaneous Retail	415,121	407,015	537,258	598,375	616,337	609,539	942,416	852,183	811,850	404,158
Agriculture and All Others	766,140	485,902	431,038	430,392	431,121	452,303	550,676	574,293	557,352	540,498
Manufacturers	160,527	68,034	60,286	67,945	67,628	90,707	105,064	99,612	114,755	110,391
Total	\$ 3,670,074	\$ 3,035,891	\$ 3,133,352	\$ 3,318,849	\$ 3,296,092	\$ 3,344,454	\$ 3,630,644	\$ 3,654,418	\$ 3,649,287	\$ 3,348,112

**Village of Mundelein, Illinois
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
April 30, 2018**

Tax Rate per \$100 of EAV

Fiscal Year	Village Direct Rate*	Overlap Rate
2009	1.143	7.890
2010	1.179	8.034
2011	1.227	8.643
2012	1.344	9.448
2013	1.481	10.690
2014	1.573	11.644
2015	1.616	12.228
2016	1.571	11.972
2017	1.563	11.449
2018	1.559	11.117

*Fremont Township

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois
Property Tax Assessed Valuations, Rates and Extensions
Last Ten Levy Years
April 30, 2018

Tax Levy Year	2008		2009		2010		2011	
Assessed Valuations	\$968,152,034		\$968,000,017		\$933,153,023		\$885,720,411	
Percentage Change from Prior Year	6.537%		-0.016%		-3.600%		-5.083%	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Tax Extensions								
General	0.551	\$ 5,334,518	0.514	\$ 4,975,520	0.613	\$ 5,720,228	0.737	\$ 6,527,759
Road and Bridge -								
Libertyville Township	0.098	323,937	0.114	376,078	0.118	379,584	0.121	378,836
Fremont Township	0.098	551,451	0.114	643,071	0.118	637,971	0.121	610,912
Vernon Hills Township	0.098	73,401	0.114	84,371	0.118	83,466	0.121	81,973
Illinois Municipal Retirement	0.089	861,655	0.093	900,240	0.076	709,196	0.070	620,004
Social Security	0.112	1,084,330	0.110	1,064,800	0.097	905,158	0.091	806,006
Debt Service	0.121	1,171,464	0.140	1,355,200	0.124	1,157,110	0.154	1,364,009
Police Pension	0.120	1,161,782	0.141	1,364,880	0.141	1,315,746	0.118	1,045,150
Firefighters' Pension	0.052	503,439	0.067	648,560	0.058	541,229	0.053	469,432
Total Extension		\$ 11,065,978		\$ 11,412,720		\$ 11,449,788		\$ 11,904,082
Libertyville Township	1.143		1.179		1.227		1.344	
Fremont Township	1.143		1.179		1.227		1.344	
Vernon Hills Township	1.143		1.179		1.227		1.344	
Uncollectible Provision	1%		1%		1%		1%	

Data Source:
Lake County Tax Extension Office

Village of Mundelein, Illinois
Property Tax Assessed Valuations, Rates and Extensions - Continued
Last Ten Levy Years
April 30, 2018

2012		2013		2014		2015		2016		2017	
\$803,316,908		\$755,958,958		\$734,020,134		\$754,877,076		\$803,467,516		\$846,067,576	
-9.304%		-5.895%		-2.902%		2.841%		6.437%		5.302%	
Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
0.813	\$ 6,530,966	0.847	\$ 6,402,972	0.836	\$ 6,139,264	0.775	\$ 5,848,003	0.780	\$ 6,267,971	0.741	\$ 6,267,965
0.133	363,343	0.141	362,617	0.145	343,674	0.141	344,945	0.187	484,902	0.177	484,902
0.133	620,764	0.141	619,150	0.145	632,020	0.141	634,542	0.187	895,709	0.177	895,709
0.133	84,304	0.141	84,136	0.145	88,312	0.141	84,520	0.187	119,391	0.177	119,391
0.071	570,355	0.071	536,731	0.082	600,003	0.093	700,005	0.093	750,005	0.089	755,005
0.093	747,085	0.092	695,482	0.109	800,001	0.119	900,002	0.124	1,000,004	0.126	1,070,005
0.171	1,373,672	0.181	1,368,286	0.186	1,366,151	0.130	984,752	0.123	984,754	0.116	984,753
0.135	1,084,478	0.166	1,254,892	0.178	1,309,903	0.225	1,701,689	0.179	1,438,970	0.216	1,824,655
0.065	522,156	0.075	566,969	0.080	584,434	0.088	661,529	0.077	618,076	0.093	786,547
	\$ 11,897,123		\$ 11,891,234		\$ 11,863,762		\$ 11,859,987		\$ 12,559,782		\$ 13,188,932
1.481		1.573		1.616		1.571		1.563		1.559	
1.481		1.573		1.616		1.571		1.563		1.559	
1.481		1.573		1.616		1.571		1.563		1.559	
0%		0%		0%		0%		0%		0%	

Village of Mundelein, Illinois
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
April 30, 2018

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of		Per Capita*	Population	Per Capita Personal Income		Personal Income
	General Obligation Bonds		IEPA Note Payable			Personal Income*	Personal			Income		
2009	\$ 14,715,414	\$	2,895,957	\$	17,611,371	2.17	\$	570	30,935	\$ 26,280	\$	812,971,800
2010	13,791,567		2,626,940		16,418,507	1.61		531	30,935	33,057		1,022,618,295
2011	20,507,388		2,350,093		22,857,481	2.22		731	31,064	33,005		1,025,267,320
2012	19,656,956		2,065,187		21,722,143	2.12		699	31,064	33,005		1,025,267,320
2013	18,451,524		1,771,988		20,223,512	1.97		651	31,064	33,005		1,025,267,320
2014	17,400,497		1,470,254		18,870,751	1.84		607	31,064	33,005		1,025,267,320
2015	15,949,792		1,159,737		17,109,529	1.67		551	31,064	33,005		1,025,267,320
2016	14,164,087		840,181		15,004,268	1.46		483	31,064	33,005		1,025,267,320
2017	12,333,382		511,323		12,844,705	1.25		413	31,064	33,005		1,025,267,320
2018	10,986,262		172,892		11,159,154	1.09		359	31,064	33,005		1,025,267,320

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

* See the Schedule of Demographic and Economic Statistics on page 125 for personal income and population data.

Village of Mundelein, Illinois
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
April 30, 2018

Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	Equalized Assessed Value
2009	\$ 14,715,414	\$ 859,206	\$ 13,856,208	1.43	\$ 448	\$ 968,152,034
2010	13,791,567	673,093	13,118,474	1.36	424	968,000,017
2011	20,507,388	1,400,815	19,106,573	2.05	615	933,153,023
2012	19,656,956	1,546,109	18,110,847	2.04	583	885,720,411
2013	18,451,524	1,562,385	16,889,139	2.10	544	803,316,908
2014	17,400,497	1,652,809	15,747,688	2.08	507	755,958,958
2015	15,949,792	1,528,543	14,421,149	1.96	464	734,020,134
2016	14,164,087	1,409,898	12,754,189	1.69	411	754,877,076
2017	12,333,382	907,295	11,426,087	1.42	368	803,467,616
2018	10,986,262	393,607	10,592,655	1.25	341	846,067,676

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

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on page 113 for property value data.

Village of Mundelein, Illinois
Direct and Overlapping Governmental Bonded Debt
April 30, 2018

Governmental Unit	Equalized Assessed Value	Net Bonded Debt	Percentage Debt Applicable to the Village of Mundelein	Village of Mundelein Share of Debt
Overlapping Debt:				
Lake County	\$ 24,865,503,000	\$ 180,237,011	3.250 %	\$ 5,857,703
Lake County Forest Preserve District	24,865,503,000	255,848,168	3.250	8,315,065
Central Lake County Joint Action Water Agency	7,363,115,807	3,134,261	12.314	385,953
Mundelein Park District	903,497,303	4,000,000	88.519	3,540,760
Fremont Public Library District	1,115,864,500	980,000	50.748	497,330
Elementary School Districts:				
#70 - Libertyville	1,030,163,272	12,580,164	0.042	5,284
#73 - Hawthorn	1,271,385,570	30,023,367	14.770	4,434,451
#75 - Mundelein	324,053,464	13,158,419	98.765	12,995,913
#76 - Diamond Lake	272,405,305	12,167,914	35.546	4,325,207
#79 - Fremont	815,295,220	16,272,883	24.059	3,915,093
High School District #120 - Mundelein	1,281,954,241	16,946,407	60.798	10,303,077
High School District #125 -Stevenson	3,431,412,182	51,335,000	0.620	318,277
High School District #128 - Libertyville	2,946,380,742	-	0.072	-
Community College #532	23,639,604,880	58,748,920	3.420	2,009,213
		655,432,514		56,903,325
Direct Debt:				
Village of Mundelein	<u>846,067,676</u>	<u>10,986,262</u>	100.00 %	<u>10,986,262</u>
Total Direct and Overlapping Debt		<u>666,418,776</u>		<u>67,889,587</u>
Direct and overlapping bonded debt per capita				2,185
Population				31,064

Data Source

Lake County Clerk's Office

Overlapping is determined by the portion of the
Village's EAV of the other Districts' EAVs

**Village of Mundelein, Illinois
Demographic and Economic Information
Last Ten Fiscal Years
April 30, 2018**

Fiscal Year	Population	Personal Income* (Thousands of Dollars)	Per Capita Personal Income	Median Age	Unemployment Rate
2009	30,935	\$ 812,972	\$ 26,280	33.2	6.6
2010	30,935	1,022,618	33,057	33.0	9.6
2011	31,064	1,025,267	33,005	35.1	10.4
2012	31,064	1,025,267	33,005	35.1	8.4
2013	31,064	1,025,267	33,005	35.1	7.8
2014	31,064	1,025,267	33,005	35.1	6.8
2015	31,064	1,025,267	33,005	35.1	4.3
2016	31,064	1,025,267	33,005	35.1	5.5
2017	31,064	1,025,267	33,005	35.1	4.4
2018	31,064	1,025,267	33,005	35.1	3.9

Data Source
Village Records
U.S. Census Bureau

Village of Mundelein, Illinois
Principal Employers
Current Year and Nine Years ago
April 30, 2018

Employer	Type of Business	2018			2009		
		Rank	Employees	Percentage of Total City Population	Rank	Employees	Percentage of Total City Population
Medline Industries	Hospital Supplies	1	900	2.90	1	2,200	7.11
Accurate Transmissions	Remanufactured Transmissions	2	320	1.03			
Amcor Flexibles Healthcare, Inc.	Flexible Polyethylene Packaging	3	315	1.01	3	300	0.97
Maclean Fogg Co.	Industrial Fasteners (Plants and Offices)	4	240	0.77	10	150	0.48
University of St. Mary of the Lake	Seminary / School for the Priesthood	5	220	0.71	7	204	0.66
Mundelein Elementary School #75	Public Elementary School	5	220	0.71	4	247	0.80
Mundelein High School #120	Public High School	7	210	0.68	6	213	0.69
Ruprecht Company	Meat Processing	8	200	0.64		-	-
Village of Mundelein	Village Government	9	185	0.60	8	195	0.63
Carter Hoffman Co.	Food Service Equipment	10	110	0.35		-	-
Mundelein Park District	Recreation District				2	400	1.29
Fremont School District #79	Public Elementary School				5	245	0.79
Diamond Lake School District #76	Public Elementary School				9	179	0.58
Total			<u>2,920</u>			<u>4,333</u>	

Population

31,064

30,935

Source: Village Records - Community Development Department

**Village of Mundelein, Illinois
Full-Time Equivalent Employees
Last Ten Budget Years
April 30, 2018**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	13	13	10	10	10	11	13	13	13	14
Building	9	9	8	8	8	8	7	7	8	8
Community Development	3	3	3	3	3	3	4	4	4	4
Finance	10	10	8	8	6	6	6	6	6	6
Public Safety										
Police										
Officers	54	52	51	51	52	52	53	54	54	54
Civilians	18	18	18	18	18	18	18	18	18	18
Fire										
Firefighters/Paramedics and Officers	26	26	25	25	26	27	27	27	26	26
Civilians	2	2	2	2	2	2	2	2	2	2
Contractual	7	7	7	7	6	6	6	6	6	6
Public Works										
Administration	6	6	5	5	5	3	3	3	3	3
Engineering	6	6	4	4	4	3	3	3	3	3
Facility	5	5	3	3	3	5	5	5	5	5
Vehicle	4	4	4	4	4	4	4	4	4	4
Street	12	12	10	10	10	11	11	11	10	10
Water	12	12	12	12	12	10	10	10	10	10
Wastewater	14	14	13	13	13	12	12	12	12	12
Total	200	198	183	183	182	181	184	185	184	185

Data Source
Village Records

**Village of Mundelein
Operating Indicators
Last Ten Calendar Years
April 30, 2018**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration										
Registered Voters (1)	17,617	19,516	18,732	19,504	19,478	19,478	19,478	21,046	21,046	21,046
Votes Cast In Last Election	13,345	3,879	9,520	4,629	3,449	3,449	2,237	2,297	2,297	2,297
Public Safety										
Police										
CALFA Accreditation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Arrests	2,003	1,633	1,517	1,276	1,114	1,114	1,076	1,002	1,002	1,002
Ordinance Citations	3,275	3,339	2,828	2,020	1,830	1,830	1,998	2,087	2,087	2,087
Traffic Citations	9,729	9,116	9,447	8,501	6,786	6,786	5,687	5,436	5,436	5,436
Part I Incidents ⁽²⁾	450	478	434	425	415	415	387	331	331	331
Part II Incidents ⁽²⁾	3,980	3,319	3,460	3,140	2,741	2,741	2,741	2,789	2,789	2,789
Service Incidents	15,293	14,373	14,825	13,521	13,635	13,635	13,635	15,714	15,714	15,714
Fire										
Emergency Responses	2,969	2,660	2,887	2,829	2,712	2,845	2,995	3,116	3,116	3,116
Fire Responses	1,279	1,151	1,312	1,263	1,429	1,450	1,476	1,674	1,674	1,674
Patients Transported	1,709	1,492	1,452	1,282	1,166	1,312	1,362	1,442	1,442	1,442
Public Works										
Streets										
Street Resurfaced (Sq. Yds.)	17,985	23,390	44,548	24,500	54,606	25,859	26,100	32,325	32,325	32,325
Sidewalk Replaced (Sq. Ft.)	-	-	8,684	15,816	14,156	4,054	4,654	6,152	6,152	6,152
Workorders Processed	5,943	7,214	8,871	6,832	5,313	4,315	8,394	7,895	7,895	7,895
Water										
Average Daily Demand (MGD)	2.610	2.439	2.501	2.518	2.450	2.462	2.420	2.355	2.355	2.355
Highest Daily Demand (MGD)	4.154	4.635	3.503	3.611	4.564	4.444	3.336	4.239	4.239	4.239
Date of Highest Daily Demand	9/01/08	3/08/09	7/21/10	7/11/11	7/1/12	3/10/13	8/3/14	12/15/15	12/15/15	12/15/16
Lake Water Allocation	3,250	2,887	2,887	2,916	2,970	3,001	3,027	3,031	3,031	3,031
Average Residential Usage	16.8	16.6	16.1	15.9	17.2	15.9	15.0	14.4	14.4	14.4
Watermain Breaks	38	21	34	45	53	45	47	34	34	34
Meters Converted to RF	1,131	1,546	332	828	668	865	452	0	0	1
Wastewater										
Total Volume (MG)	1,530.55	1,481.05	1,019.64	1,165.50	877.98	915.29	993.98	1,042.11	1,042.11	1,042.11
Biological Oxygen Demand (lbs)	1,878,099	1,651,539	1,199,216	1,497,949	1,183,782	1,117,671	1,046,070	1,399,385	1,399,385	1,399,385
Suspended Solids (lbs)	2,205,297	1,728,203	1,047,787	1,278,610	1,258,176	1,370,847	1,141,053	1,339,647	1,339,647	1,339,647
Average Daily Flow	4.28	4.08	2.79	3.19	2.00	2.56	2.72	2.86	2.86	2.86
Average Dry Weather Flow (MGD)	3.05	3.14	2.00	2.28	1.72	1.65	2.06	2.18	2.18	2.18
Highest Daily Flow	18.50	15.78	19.97	11.94	12.98	31.07	12.56	16.69	16.69	16.69
Date of Highest Daily Flow	9/13/08	3/08/09	5/13/10	3/20/11	4/15/12	4/17/13	5/12/14	4/9/15	4/9/15	4/9/16
Workorders Processed	8,612	8,053	7,379	6,636	6,472	6,276	7,074	8,869	8,869	8,870

(MGD) Million gallons per day

(1) Municipal elections occur every two years

(2) Categorized based upon I-UCR Crime Index where Part I includes: murder, criminal sexual assault, robbery, aggravated assault/battery, burglary, theft, motor vehicle theft, and arson. Part II includes all other activities.

Data Source

Various Village Departments

**Village of Mundelein
Capital Assets Statistics
Last Ten Fiscal Years
April 30, 2018**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Metra Stations	1	1	1	1	1	1	1	1	1	1
Metra Parking Spots	522	522	522	522	522	522	522	522	522	522
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Districts	5	5	5	5	5	5	5	5	5	5
Patrol Units	16	16	16	16	16	16	16	16	16	16
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
ISO Rating	3	3	3	3	3	3	3	3	3	3
Fire Apparatus	5	5	6	6	6	6	6	6	6	5
Rescue Apparatus	4	4	4	4	4	4	4	4	4	4
Public Works										
Streets										
Streets (miles)	85	83	83	83	83	83	83	84	85	87
Streetlights	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,410
Traffic signals*	5	5	5	5	5	5	5	5	5	5
Curbs (Miles)	141	140	141	141	141	141	141	145	147	150
Sidewalks (Miles)	116	114	115	115	119	119	119	122	123	124
Water										
Water mains (miles)	102	102	102	102	102	102	102	117	117	118
Fire hydrants	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,800	1,825	1,838
Booster Pump Stations	1	1	1	1	1	1	1	1	1	1
Ground Storage	4	4	4	4	4	4	4	4	4	4
Elevated Storage***	4	4	4	4	4	4	4	4	4	4
Storage Capacity**	7	7	7	7	7	7	7	7	7	7
Wastewater										
Sanitary sewers (miles)	168	168	168	168	168	168	168	170	171	173
Storm sewers (miles)	88	87	90	90	90	90	90	92	93	95
Treatment capacity**	5	5	5	5	5	5	5	5	5	5

* Village Owned

** (Millions of Gallons)

***Winchester Tower replaced and out of service during 2007

Data Source

Various Village Departments

Village of Mundelein, Illinois
Miscellaneous Statistics
Waterworks and Sewerage Fund
Last Ten Fiscal Years
April 30, 2018

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Users:										
Water Users	10,259	10,257	10,253	10,261	10,261	10,261	10,502	10,544	10,568	10,570
Water and Sewer Users	10,264	10,267	10,263	10,327	10,335	10,312	10,541	10,573	10,587	10,594
Increase In Users	151	3	(4)	64	8	(23)	229	32	24	2
Nonactive Accounts	N/A	211	301	272	272	272	224	257	248	249
Users by Class:										
Residential	7,862	7,736	7,578	7,581	7,585	7,585	7,731	7,716	7,595	7,589
Senior Citizen	1,109	1,255	1,318	1,359	1,361	1,324	1,519	1,554	1,718	1,727
Commercial	757	738	729	743	744	744	728	734	715	740
Apartment Buildings	145	145	145	147	147	147	146	146	146	146
Industrial	63	63	60	62	62	76	80	61	60	61
Other	328	330	333	335	335	335	359	362	362	396
Total Users by Class	10,264	10,267	10,263	10,327	10,335	10,312	10,541	10,573	10,597	10,599
Billing Units by Class (1):										
Residential (2)	777,182	750,637	741,715	734,421	763,995	725,110	684,277	658,264	692,563	669,732
Business (3)	330,036	320,975	334,697	338,651	323,269	314,545	297,265	299,628	313,794	299,089
Industrial	39,937	50,001	70,447	98,382	117,485	105,863	95,514	114,653	133,096	113,785
Other	29,055	26,986	27,867	24,698	36,130	34,476	34,000	21,768	20,333	21,730
Total Billing Units	1,176,210	1,148,599	1,174,726	1,196,162	1,260,880	1,180,994	1,111,056	1,104,311	1,159,736	1,110,336
Rate History Per Billing Unit (4):										
Ordinance No.	08-04-19	09-04-27	10-04-19	11-04-15	12-04-22	13-04-16	14-04-16	15-04-16	16-04-20	16-04-21
Effective Date	6/1/2008	6/1/2009	6/1/2010	6/1/2011	6/1/2012	5/1/2013	6/1/2014	6/1/2015	6/1/2016	6/1/2017
Water	1.682	1.920	1.980	1.91	2.11	2.11	2.37	2.56	2.60	2.88
Sewer	2.101	2.363	2.464	2.52	2.57	2.57	2.89	3.16	3.40	3.50
CLCIWA	1.750	1.879	2.030	2.14	1.89	1.89	1.97	2.08	2.40	2.34
Combined Rate	5.533	6.162	6.474	6.57	6.57	6.57	7.22	7.80	8.40	8.72
Pumped vs. Billed:										
Total Gallons of Water Pumped	935,098,000	888,389,000	913,434,000	928,030,000	969,915,000	913,853,000	865,039,000	864,295,000	903,739,000	896,452,000
Total Gallons of Water Billed	842,305,250	861,449,250	881,044,500	901,608,000	945,660,000	885,745,500	839,292,000	828,293,250	889,794,500	864,217,000
Gallons Pumped but not Billed	92,788,750	27,439,750	32,389,500	26,422,000	24,255,000	28,113,500	31,747,000	36,061,750	33,944,500	32,235,000
Percentage of Unbilled	9.9%	3.1%	3.5%	2.8%	2.5%	3.1%	3.7%	4.2%	3.8%	3.6%

- (1) Billing unit equals 100 cubic feet, or 750 gallons
(2) Residential includes residential and senior citizen classes
(3) Business includes commercial and apartment building classes
(4) Annualized inside the Village rates only

Data Source:
Village Records

Village of Mundelein, Illinois
Equalized Assessed Value Per Township
By General Zoning Classification
April 30, 2018

General Zoning Classification	All Townships			Fremont Township			Libertyville Township			Vernon Township		
	Equalized Assessed Value	Percent of Total		Equalized Assessed Value	Percent of Total		Equalized Assessed Value	Percent of Total		Equalized Assessed Value	Percent of Total	
Residential	\$ 624,304,025	73.8 %		\$ 462,824,973	91.3 %		\$ 144,064,404	52.8 %		\$ 20,405,476	30.6 %	
Commercial	143,709,817	17.0		43,936,625	8.7		65,628,432	24.1		34,144,772	51.3	
Industrial	<u>78,053,834</u>	<u>9.2</u>		<u>-</u>	<u>0.0</u>		<u>63,028,666</u>	<u>23.1</u>		<u>12,034,328</u>	<u>18.1</u>	
	<u>846,067,676</u>	<u>100.00 %</u>		<u>506,761,598</u>	<u>100.00 %</u>		<u>272,721,502</u>	<u>100.00 %</u>		<u>66,584,576</u>	<u>100.00 %</u>	
Percent of Total		<u>100.00 %</u>			<u>59.9 %</u>			<u>32.2 %</u>			<u>7.9 %</u>	

Data Source
Lake County Aggregate Property Tax Information Database

**Village of Mundelein, Illinois
Property Value and Construction
Last Ten Calendar Years
April 30, 2018**

Calendar Year	Multi-Family Construction		Residential Construction		Total Value of all Building Permits	Estimated Actual Property Value
	Number Of Units	Value (1)	Number of Units	Value (1)		
2008	-	-	111	13,806,040	40,073,508	3,227,173,447
2009	-	-	35	4,034,370	30,259,939	3,226,666,723
2010	-	-	52	5,751,340	30,775,562	3,110,510,076
2011	-	-	68	8,467,808	32,456,852	2,857,161,233
2012	-	-	35	3,756,186	18,567,259	2,609,950,724
2013	-	-	38	5,222,190	20,478,956	2,467,876,874
2014	-	-	43	5,748,137	19,548,752	2,402,060,402
2015	96	12,575,000	30	6,258,943	23,548,167	2,464,631,228
2016	40	7,500,000	25	5,215,786	22,585,167	2,610,402,848
2017	-	-	36	7,346,488	25,827,943	2,738,203,028

Data Source
Village Records

Village of Mundelein, Illinois
Mundelein Tax Increment Finance Areas #2 and #3
TIF Increment
Last Fifteen Levy Years
April 30, 2018

Levy Year	EAV TIF Base	TIF EAV Increment	Total EAV TIF	Extension
2003	\$ 8,313,815	\$ -	\$ 8,313,815	\$ -
2004	-	117,306	8,431,121	10,309
2005	-	2,237,311	10,551,126	182,621
2006	-	1,792,419	10,106,234	147,060
2007	-	1,690,995	10,004,810	130,933
2008	-	9,212,662	17,526,477	714,903
2009	-	8,119,746	16,433,561	642,015
2010	-	8,152,453	16,466,268	693,855
2011	-	8,338,810	16,652,625	775,760
2012	-	4,519,328	12,833,143	476,880
2013	-	4,093,106	12,406,921	470,584
2014	-	5,745,489	14,059,304	693,662
2015	-	6,145,136	14,458,951	726,493
2016 #2	3,523,169	6,600,690	10,123,859	743,708
2016 #3	7,131,421	464,180	7,595,601	52,513
2017 #2	-	6,791,404	10,314,573	742,979
2017 #3	-	301,758	7,433,179	33,167

In 2016, the boundary of TIF #2 was changed and a new TIF #3 was created.

Data Source
Lake County Clerk's Office

Appendix B
FORM OF APPROVING OPINION

August 15, 2019

Village of Mundelein, Lake County, Illinois
Mundelein, Illinois

Re: Village of Mundelein, Lake County, Illinois
General Obligation Bonds, Series 2019
Total Issue: \$32,790,000
Original Date: August 15, 2019

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Village of Mundelein, Lake County, Illinois (the "Village") of \$32,790,000 of its General Obligation Bonds, Series 2019, dated August 15, 2019 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Village had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Village's tax covenants and representations (the "Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

The Bonds are valid and binding general obligations of the Village.

The Bonds are payable as to principal and interest from ad valorem taxes levied against all taxable property in the territory of the Village, without limitation as to rate or amount.

Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as in effect on the date hereof (the "Code"), and is not a specific preference in computing the federal alternative minimum tax. This opinion is conditioned on the Village's continuing compliance with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds.

We express no opinion as to (a) the ability or the likelihood of the Village to make such payments when due or (b) the validity or feasibility of any future financings that the Village may undertake in order to provide funds to make such payments.

The opinions set forth herein express the professional judgment of the attorneys participating in the transactions as to the legal issues addressed herein. By rendering such opinions, the undersigned does not become an insurer or guarantor of that expression of professional judgment or of the transaction opined upon. Nor does the rendering of that opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to the valid exercise of the constitutional powers of the Village, the State of Illinois and the United States of America.

Very truly yours,

Appendix C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING (the “Agreement”) is made as of August 15, 2019, by the Village of Mundelein, Lake County, Illinois (the “Obligor”) for the purpose of permitting Bernardi Securities, Inc., as underwriter (the “Underwriter”) to purchase the Obligor’s \$32,790,000 General Obligation Bonds, Series 2019 (the “Bonds”), issued pursuant to Ordinance No. _____ adopted on behalf of the Obligor on July 22, 2019 along with a Bond Order executed by the Mayor of the Obligor on August 1, 2019 (collectively, the “Bond Ordinance”), in compliance with the Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “SEC Rule”) as published in the Federal Register on November 17, 1994.

WHEREAS, the Obligor has issued its Bonds pursuant to the Bond Ordinance; and

WHEREAS, the Obligor is an Obligated Person (as defined in the SEC Rule) and the tax levy is the only source of funds pledged to pay the principal and interest due on the Bonds;

NOW, THEREFORE, the Obligor hereby agrees as follows:

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified. Those words and terms not expressly defined herein shall have the meanings assigned to them in the SEC Rule.

(a) “Annual Financial Information” means information of the type contained in the following tables, headings and exhibits of the Official Statement:

- “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – Property Taxes,” “ – Tax Rates,” and “– Representative Tax Rates”
- “DEBT STATEMENT – Debt Amortization” and “– Detailed Statement of Direct and Overlapping Bonded Indebtedness” (as it relates to direct debt)
- “FINANCIAL INFORMATION – Financial Summaries”

(b) “Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, or the holders of beneficial interests in the Bonds.

(c) “EMMA” is Electronic Municipal Market Access System established by the Municipal Securities Rulemaking Board.

(d) “MSRB” means the Municipal Securities Rulemaking Board.

(e) “Official Statement” means the Official Statement, dated as of August 1, 2019, relating to the Bonds, including any document or set of documents included by specific reference to such document or documents filed with the Municipal Securities Rulemaking Board (“MSRB”) through EMMA.

(f) “Rule” means Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (17 C.F.R. §240.15c2-12).

Section 2. Term. The term of this Agreement is from the date hereof to the earlier of (i) the date of the last payment of principal of and interest on the Bonds, or (ii) the date the Bonds are defeased under the Bond Ordinance.

Section 3. Provision of Financial Information. (a) The Obligor hereby undertakes to provide the following financial information:

(1) To EMMA, when and if available, the audited financial statements of the Obligor as prepared by the Obligor for each twelve-month period ending April 30, together with the opinion of such accountants and all notes thereto, within 210 days of its fiscal year ending April 30; and

(2) To EMMA, within 210 days of each April 30, the Annual Financial Information (collectively, the “Annual Information”).

(3) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 3 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to EMMA, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

(4) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit A attached hereto.

(5) The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide audited financial statements or portions of Annual Information because it is unavailable through circumstances beyond the control of the Obligor shall not be deemed to be a breach of this Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(6) Annual Information or audited financial statements required to be provided pursuant to this Section 3 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and

previously provided to EMMA, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

(7) The SEC has approved the submission of continuing disclosure filings with EMMA. All continuing disclosure filings under the Agreement shall be filed solely by transmitting such filings to EMMA at www.emma.msrb.org.

Section 4. Accounting Principles. The financial information will be prepared on a cash basis as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with generally accepted accounting standards and Government Auditing Standards issued by the Comptroller General of the United States.

Section 5. Reportable Events. The Obligor shall disclose the following events in a timely manner, not in excess of ten (10) business days of the occurrence of any of the following events, to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed in MSRB:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or other material events affecting the tax exempt status of the Bonds; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities;
- (g) modifications to rights of Bondholders, if material;
- (h) bond calls and tender offers, if material;
- (i) defeasances;
- (j) rating changes;
- (k) bankruptcy, insolvency, receivership, or similar event of the obligated person*;
- (l) release, substitution or sale of property securing repayment of the Bonds, if material;
- (m) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

* This Reportable Event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent, or similar officer for the Obligor in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligor, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligor.

- agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (o) incurrence of a financial obligation of the Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligor, any of which affect security holders, if material^{**}; and
 - (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligor, any of which reflect financial difficulties^{**}.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

Section 6. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the “Dissemination Agent”) in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of this Agreement.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Agreement.

Section 7. Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to EMMA or to the MSRB.

Section 8. Remedies.

(a) The purpose of this Agreement is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the holders of the Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor’s disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy.

(b) Subject to paragraph (d) of this Section 8, in the event the Obligor fails to provide any information required of it by the terms of this Agreement, any holder of

^{**} The term “financial obligation” means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Bonds may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a holder of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (d) of this Section 8, any challenge to the adequacy of the information provided by the Obligor by the terms of this Agreement may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are holders of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) Prior to pursuing any remedy under this Section 8, a holder of Bonds shall give notice to the Obligor, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after mailing of such notice, and not before, a holder of Bonds may pursue such remedy under this Section. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Bond Ordinance or any other agreement to which the Obligor is a party.

Section 9. Modification of Agreement. The Obligor may, from time to time, amend or modify this Agreement without the consent of or notice to the holders of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

Section 10. Previous Undertakings. Other than the occurrences noted in the Official Statement, the Obligor hereby represents that it has not, in the previous five years, failed to comply in all material respects, with any previous Undertakings.

Section 11. Interpretation Under Illinois Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the law of the State of Illinois.

Section 12. Severability Clause. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided to the extent that this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 13. Successors and Assigns. All covenants and agreements in this Agreement made by the Obligor shall bind its successors, whether so expressed or not.

(The Remainder of This Page is Intentionally Left Blank)

IN WITNESS WHEREOF, the Obligor has caused this Agreement to be executed as of the 15th day of August, 2019.

**VILLAGE OF MUNDELEIN, LAKE COUNTY,
ILLINOIS**

By: _____
Its: Mayor

ATTEST

By: _____
Its: Village Clerk

EXHIBIT A

CERTIFICATE RE: FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the Village of Mundelein, Lake County, Illinois, as the Obligor under the Continuing Disclosure Undertaking, dated as of August 15, 2019 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes its Annual Financial Information and audited financial statements which are required to be provided pursuant to Section 3(a) of the Agreement.

Dated: _____.

**VILLAGE OF MUNDELEIN, LAKE COUNTY,
ILLINOIS**

By: _____
Its: Mayor

ATTEST

By: _____
Its: Village Clerk

EXHIBIT B

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the Village of Mundelein, Lake County, Illinois, as Obligor under the Continuing Disclosure Undertaking, dated as of August 15, 2019 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a Reportable Event which is required to be provided pursuant to Section 5 of the Agreement.

Dated: _____.

**VILLAGE OF MUNDELEIN, LAKE COUNTY,
ILLINOIS**

By: _____
Its: Mayor

ATTEST

By: _____
Its: Village Clerk

EXHIBIT C

NOTICE TO REPOSITORIES OF FAILURE TO FILE INFORMATION

Notice is hereby given that the Village of Mundelein, Lake County, Illinois (the “Obligor”), has not provided the Annual Financial Information or audited financial statements as required by Section 3(a) of the Continuing Disclosure Undertaking, dated as of August 15, 2019.

Dated: _____

**VILLAGE OF MUNDELEIN, LAKE COUNTY,
ILLINOIS**

By: _____
Its: Mayor

ATTEST

By: _____
Its: Village Clerk

Appendix D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100