

No Official Statement or other disclosure document will be prepared for this Offering. By the Purchaser's acceptance of the Bonds, the Purchaser shall be deemed to have had access to such financial and other information concerning the Village and the Bonds as the Purchaser deemed necessary to make an independent decision to purchase the Bonds, including the opportunity, at a reasonable time prior to its purchase of the Bonds, to ask questions and receive answers concerning the Village and the terms and conditions of this Offering.

PRELIMINARY TERM SHEET DATED MARCH 1, 2018

**Village of Thornton
Cook County, Illinois
\$1,265,000* General Obligation Refunding Bonds, Series 2018**

Issuer: Village of Thornton, Cook County, Illinois (the “*Village*”).

Issue Description: General Obligation Refunding Bonds, Series 2018 (the “*Bonds*”).

Par: \$1,265,000*.

Response Date: Responses are due by Noon Central Time, March 16, 2018. Rates must not be subject to change through the closing date, anticipated to be September 18, 2018.

Award Date: March 19, 2018 (anticipated).

Placement Agent: Piper Jaffray & Co., Chicago, Illinois.

Municipal Advisor: Speer Financial, Inc., Chicago, Illinois.

Bond Counsel: Chapman and Cutler LLP, Chicago, Illinois.

Dated Date: September 18, 2018 (anticipated).

Delivery Date: September 18, 2018 (anticipated).

Interest Payment Date: Each June 15 and December 15, beginning June 15, 2019. Interest is calculated on a 360-day year of twelve 30-day months. Interest will accrue from the dated date.

Principal Payment and
Mandatory Redemption Dates: Each December 15, beginning December 15, 2019, and ending December 15, 2029. The Bonds are subject to mandatory redemption. See “Mandatory Sinking Fund Redemption” herein.

Record Date: The close of the business day on the 1st day of the month of each interest payment date.

Purchaser: To Be Determined.

Purchase Price: Par.

**Preliminary, subject to change.*

Maturity Schedule:

MATURITY (DECEMBER 15)	PAR AMOUNT* (\$)	COUPON (%)	YIELD (%)
2029	1,265,000	_____	_____

Mandatory Sinking
Fund Redemption:

The Bonds are subject to mandatory redemption, in integral multiples of \$5,000, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

PAYMENT DATE (DECEMBER 15)	AMOUNT (\$)*
2019	95,000
2020	105,000
2021	110,000
2022	110,000
2023	115,000
2024	115,000
2025	120,000
2026	120,000
2027	120,000
2028	125,000
2029	130,000

Average life of the Bonds: 6.487

Optional Redemption:

The District requests pricing on three optional redemption features:

Option 1: The Bonds are callable in whole or in part on any date on or after December 1, 2024 at a price of par and accrued interest.

Option 2: The Bonds are callable in whole or in part on any date on or after December 1, 2026 at a price of par and accrued interest.

Option 3: The Bonds will not be subject to optional redemption prior to maturity.

Authority and Purpose:

The Bonds are being issued pursuant to the home-rule powers of the Village under Section 6, Article VII of the 1970 Constitution of the State of Illinois, and a bond ordinance (the “*Bond Ordinance*”) to be adopted by the President and Board of Trustees of the Village (the “*Board*”) on March 19, 2018.

Proceeds of the Bonds are to be used to currently refund a portion of the Village’s outstanding General Obligation Bonds, Series 2008 (the “*Refunded Bonds*”), and to pay the costs of issuance of the Bonds.

*Preliminary, subject to change.

Security: The Bonds in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“*Bond Counsel*”), are valid and legally binding upon the Village and are payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes (the “*Pledged Taxes*”) to pay the same 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, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

In the Bond Ordinance, the Village covenants that the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the Pledged Taxes for payment of the principal of and interest on the Bonds, except as set forth below.

Pursuant to the Bond Ordinance, whenever other funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes, the Board shall, by proper proceedings, direct the transfer of such funds to the Bond and Interest Fund Account of 2018 (the “*Bond Fund*”), and shall then further direct the abatement of the taxes by the amount so deposited. The Village will not direct the abatement of taxes until money has been deposited into the Bond Fund in the amount of such abatement. This determination and direction for abatement may, but need not be, made a part of the annual budget and appropriation proceedings for the Village.

Tax Exemption: Subject to compliance by the Village with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from 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 for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes.

Bank Qualification: Subject to the Village’s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986 as amended (the “*Code*”), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Legal Opinion: Bond Counsel will provide an opinion as to the validity of, and federal tax treatment of the interest on, the Bonds. See “APPENDIX A—Proposed Form of Opinion of Bond Counsel.”

Credit Rating: A credit rating will not be requested for the Bonds.

Registrar/Paying Agent: The Purchaser or its agent at their cost.

Registered or Book-Entry: The Bonds will be registered in the name of the Registrar. One typewritten bond will be issued. The Bonds will not be DTC eligible and will be available in physical form only, unless otherwise specified by the Purchaser.

Denomination: The Bonds will be issued in fully registered form, without coupons, in minimum denominations of \$100,000 and authorized integral multiples of \$5,000 in excess thereof.

Expenses: The Village will pay for all necessary legal opinions, placement agent's fee and municipal advisor's fee. At closing, the Village will deliver one typed Bond.

Representation of Village: This Term Sheet has been prepared under the authority of the Village, and approved for distribution to the Placement Agent and prospective purchasers of the Bonds. All statements and information presented in this Term Sheet have been obtained from reliable sources and are believed to be correct, but are not guaranteed by the Village, the Municipal Advisor or the Placement Agent.

Representations of Purchaser: The Purchaser will be required to execute the form of investor representations letter contained in APPENDIX B hereto (the "*Investment Letter*"). In the Investor Letter, the Purchaser will certify and represent, among other things, that it (i) has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt and taxable obligations, that it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks, (ii) is purchasing the Bonds for its own account solely for investment purposes and not with a view to any distribution, and (iii) consents to the engagement of Chapman and Cutler LLP by the Village as Bond Counsel with respect to the Bonds and waives any conflict of interest arising from such engagement.

No Secondary Market: The Bonds will be purchased with the intent to hold to maturity as no secondary market is expected.

Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "*Rule*"), exempts from certain requirements of the Rule offerings of municipal securities (such as the Bonds) that are (i) in authorized denominations of \$100,000 or more and (ii) are sold to no more than thirty-five persons each of whom has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and is not purchasing for more than one account or with a view to distributing the Bonds. Because the offering of the Bonds is exempt under the Rule, the Village is not required to enter into a continuing disclosure undertaking with respect to the Bonds, to deliver an official statement to a purchaser nor to provide statements concerning noncompliance, in all material respects, with the Village's prior continuing disclosure undertakings. Finally, the Purchaser should note that the disclosure contained herein is limited in scope and may not include certain information customarily contained in official statements subject to the Rule.

Financial and Economic

Characteristics of the Village: See “APPENDIX C—Certain Financial and Economic Characteristics of the Village” for information on the Village’s overlapping taxing entities, outstanding debt, tax rates by purpose for the past five years, selected financial information, and largest taxpayers.

Audited Financial Statements: See “APPENDIX D—Audited Financial Statements of the Village for the Fiscal Year Ended April 30, 2017 for more information on the Village’s recent financial performance.

Additional Provisions: Please note any proposed additional provisions.

*President, Village of Thornton,
Cook County, Illinois*

Additional Information Respecting Documentation

The attached document is being sent to you as a prospective purchaser in connection with a private placement opportunity identified by Piper Jaffray & Co. or its affiliate. Piper Jaffray & Co. and its affiliates have not independently verified the information contained herein or otherwise made any further investigation of the loan, the credit of the borrower and any obligor, the collateral and the loan terms. Neither Piper Jaffray & Co. nor any of its affiliates, partners, officers, agents, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. All references to financial information of the borrower, any obligor or the collateral shall not be considered as applicable for any period after the date they are referenced, unless expressly stated otherwise.

In addition to the attached document, you as prospective purchaser will be provided with or granted access to all of the available financial and other information requested and deemed by you to be necessary to enable you to make an independent and informed judgment with respect to the collateral, the borrower and any obligor and their credit and the desirability of purchasing an interest in the prospective financing. You as prospective purchaser agree to make a complete examination of all loan documents and approve of the form and content of the same prior to your funding and you agree that Piper Jaffray & Co. and its affiliates shall have no responsibility to perform and have not independently performed an examination of or approved the loan documents or any specific loan terms and shall not have any duty to inspect the collateral or the books and records of borrower or any obligor.

By accepting this package and considering becoming a prospective purchaser, you hereby represent that you have the sophistication and knowledge required to evaluate the loan, the credit of the borrower and any obligor, the collateral and the loan terms and that you will make your own independent credit analysis and decision to purchase your interest in the loan based upon your own independent examination and evaluation of the loan transaction and the information you have deemed appropriate, without reliance on Piper Jaffray & Co. or its affiliates, its directors, officers, employees, attorneys or agents.

Piper Jaffray & Co., its affiliates, directors, officers, employees, attorneys or agents make no representations or warranties, express or implied as to the business wisdom or propriety of purchasing an interest in the loan, compliance with any lending or regulatory requirements, the credit worthiness of the borrowers or any obligor and the value and security of the collateral or with respect to the solvency, condition (financial or other) or future condition (financial or other) of borrower, any obligor, or the collateral securing any loan or for the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the collateral or any loan document relative thereto. Piper Jaffray & Co. and its affiliates shall not be responsible for the performance or observance of any of the terms, covenants or conditions of the loan documents.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of Thornton, Cook County, Illinois (the “*Village*”), passed preliminary to the issue by the Village of its fully registered ____% General Obligation Refunding Bonds, Series 2018 (the “*Bonds*”), to the amount of \$_____, dated _____, 2018, and due on December 15, 2019, the Bonds being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

DATE	PRINCIPAL AMOUNT
2019	\$
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029 (stated maturity)	

the Bonds also being subject to redemption prior to maturity at the option of the Village as a whole or in part as determined by the Village (less than all of the Bonds to be selected by the Bond Registrar), on December 15, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and is payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same 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, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village’s compliance with certain covenants, under present law, interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes and (b) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the “*Code*”), but we express no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds

It is also our opinion that the Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX B
PROPOSED FORM OF INVESTMENT LETTER

_____, 2018

Village of Thornton
Cook County, Illinois

Chapman and Cutler LLP
Chicago, Illinois

Re: Village of Thornton
Cook County, Illinois
\$ _____ General Obligation Refunding Bonds, Series 2018

Ladies and Gentlemen:

The undersigned, _____ (the "*Purchaser*"), hereby represents and warrants to you as follows:

1. The Purchaser has purchased from the Village of Thornton, Cook County, Illinois (the "*Village*"), the \$ _____ General Obligation Refunding Bonds, Series 2018, dated _____, 2018 (the "*Bonds*"), issued pursuant to a bond ordinance adopted by the President and Board of Trustees of the Village on the ____ day of _____, 2018 (the "*Bond Ordinance*"). The Purchaser has purchased the Bonds on the date hereof at the price of par, with no accrued interest, pursuant to a contract between the Village and the Purchaser dated _____, 2018 (the "*Sale Date*")

2. On the Sale Date, based on the undersigned's assessment of then prevailing market conditions, the Purchase Price for the Bonds was not less than the fair market value of the Bonds as of the Sale Date.

3. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of the Village and the terms of the Bonds and that the Purchaser will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate, including but not limited to the most recent financial statements of the Village, dated April 30, 2017, without reliance on Piper Jaffray & Co. (the "*Placement Agent*") or its affiliates, its directors, officers, employees, attorneys or agents.

4. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

5. The Purchaser acknowledges that no official statement has been prepared for the Bonds, and that the Village will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Bonds. The Purchaser has been offered copies of or full access to

all documents relating to the Bonds and all records, reports, financial statements and other information concerning the Village and pertinent to the source of payment for the Bonds as deemed material by the Purchaser, which the Purchaser as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

6. The Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

7. The Purchaser states that: (a) it is a bank, savings and loan association, insurance company, or registered investment company; or an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million; (b) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (c) it is exercising independent judgment in evaluating: (i) the recommendation of the Placement Agent, if any, or its associated persons; and (ii) the quality of execution of the Purchaser's transactions by the Placement Agent; and (d) the Purchaser has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47.¹

8. The Purchaser is the first buyer of the Bonds and is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control). Because the Purchaser has no immediate intent to trade the Bonds and as a condition to the purchase of the Bonds from the Village, the Purchaser has directed the Placement Agent not to obtain a CUSIP number for the Bonds, or apply for DTC eligibility for the Bonds.

9. The Purchaser understands that the Bonds (i) have not been registered under the Securities Act of 1933, as amended, and (ii) have not been registered or qualified under any state securities or "Blue Sky" laws, and that the Bond Ordinance have not been qualified under the Trust Indenture Act of 1939, as amended. In the event that the undersigned disposes of the Bonds or any part thereof in the future, it understands that it has the responsibility for complying with all applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto.

10. The Purchaser has been furnished with and has examined the Bonds, the Bond Ordinance and other documents, certificates and the legal opinions delivered in connection with the issuance of the Bonds.

¹ Pursuant to MSRB Rule G-47 established industry sources shall include the MSRB's Electronic Municipal Market Access ("EMMA"®) system, rating agency reports, and other sources of information relating to municipal securities transactions generally used by brokers, dealers, and municipal securities dealers that effect transactions in the type of municipal securities at issue.

11. No person holding any office of the Village, either by election or appointment, is interested in the undersigned as an officer or employee or as a holder of any ownership interest in the undersigned.

12. The undersigned understands that (i) Chapman and Cutler LLP (“*Chapman*”) has been engaged by the Village to act as Bond Counsel for the Bonds, (ii) Chapman’s engagement as Bond Counsel by the Village is limited in scope and Chapman has an attorney-client relationship with the Village and not with the undersigned, (iii) the undersigned has received a copy of Chapman’s engagement letter that outlines its role in the financing, (iv) the undersigned will refer to its own general or special counsel as necessary, (v) at this time Chapman may be representing the undersigned in unrelated matters and the consent of the undersigned to Chapman’s representation of the Village is required, (vi) the undersigned’s consent extends only to the representation of the Village as Bond Counsel in connection with the Bonds and does not extend to any actual or potential litigation, arbitration or other adversary proceeding or claim against the undersigned or any of its subsidiaries in connection with the representation, (vii) in the event of any such claim or proceeding, Chapman would be disqualified from representing the Village with respect to such claim or proceeding unless the undersigned or an appropriate subsidiary were to give a new consent at that time, which consent would be wholly discretionary, and (viii) evidence of the undersigned’s consent is given by executing this investment letter.

13. The Purchaser understands that the Placement Agent will rely on the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

14. The signatory of this Certificate is a duly authorized officer of the Purchaser with the authority to sign this Certificate on behalf of the Purchaser, and this Certificate has been duly authorized, executed and delivered.

Very truly yours,

By

Its _____

APPENDIX C

Certain Financial and Economic Characteristics of the Village

Overlapping General Obligation Bonded Debt(1)

(As of January 30, 2018) Outstanding Applicable to the Village

	<u>Debt</u>	<u>Percent(2)</u>	<u>Amount</u>
Schools:			
School District Number 151	\$ 14,030,000	2.49%	\$ 349,347
School District Number 153	17,109,606	0.85%	145,432
School District Number 154	1,625,000	75.56%	1,227,850
High School District Number 205	56,455,000	3.30%	1,863,015
High School District Number 233	27,460,000	0.37%	101,602
Community College District No. 510	19,164,232	1.34%	256,801
Community College District No. 515	12,260,000	0.11%	<u>13,486</u>
Total Schools.....			\$3,957,533
Other:			
Cook County	\$3,213,141,750	0.03%	\$ 963,943
Forest Preserve District of Cook County	157,510,000	0.03%	47,253
Metropolitan Water Reclamation District of Greater Chicago	2,583,922,748	0.03%	775,177
Homewood Flossmoor Park District	14,030,000	0.04%	<u>5,612</u>
Total Others.....			<u>\$1,791,985</u>
Total School and Others Overlapping Bonded Debt.....			\$5,749,518

Notes: (1) Source: Cook County Clerk.
 (2) Overlapping debt percentages based on 2016 EAV, the most recent available.

**VILLAGE GENERAL OBLIGATION BONDS
 (PRINCIPAL ONLY)**

<u>Year</u>	<u>Series</u>	<u>Series</u>	<u>The</u>	<u>Less:the</u>	<u>Total</u>	<u>Cumulative</u>	
	<u>2008</u>	<u>2014</u>	<u>Bonds(2)</u>	<u>Refunded</u>	<u>Outstanding</u>	<u>Principal Retired(2)</u>	
				<u>Bonds(2)</u>	<u>Debt(2)</u>	<u>Amount</u>	<u>Percent</u>
2018.....	\$ 80,000	\$ 135,000	\$ 0	\$ 0	\$ 215,000	\$215,000	8.88%
2019.....	85,000	140,000	95,000	(85,000)	235,000	450,000	18.60%
2020.....	90,000	145,000	105,000	(90,000)	250,000	700,000	28.93%
2021.....	95,000	155,000	110,000	(95,000)	265,000	965,000	39.88%
2022.....	100,000	160,000	110,000	(100,000)	270,000	1,235,000	51.03%
2023.....	105,000	165,000	115,000	(105,000)	280,000	1,515,000	62.60%
2024.....	110,000	175,000	115,000	(110,000)	290,000	1,805,000	74.59%
2025.....	115,000	0	120,000	(115,000)	120,000	1,925,000	79.55%
2026.....	120,000	0	120,000	(120,000)	120,000	2,045,000	84.50%
2027.....	125,000	0	120,000	(125,000)	120,000	2,165,000	89.46%
2028.....	130,000	0	125,000	(130,000)	125,000	2,290,000	94.63%
2029.....	<u>140,000</u>	<u>0</u>	<u>130,000</u>	<u>(140,000)</u>	<u>130,000</u>	2,420,000	100.00%
Total	\$1,295,000	\$1,075,000	\$1,265,000	\$(1,215,000)	\$2,420,000		

Notes: (1) Source: the Village.
 (2) Subject to change.

**VILLAGE AND REPRESENTATIVE TAX RATES
PER \$100 OF EQUALIZED ASSESSED VALUATION(1)(2)**

Village Rates:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Corporate.....	\$ 0.6062	\$ 0.6323	\$ 0.7011	\$ 0.8672	\$ 0.8751
Bond & Interest.....	0.3248	0.3432	0.7428	0.7817	0.7818
Garbage.....	0.4517	0.4732	0.6141	0.7787	0.7858
Fire Protection.....	0.5006	0.5245	0.7071	0.6993	0.7057
Police Protection.....	1.6219	1.6994	2.0034	1.9813	1.9995
Auditing.....	0.0260	0.0273	0.0318	0.0315	0.0318
Liability Insurance.....	<u>0.2403</u>	<u>0.2518</u>	<u>0.2828</u>	<u>0.2797</u>	<u>0.2823</u>
Total Village Rates.....	\$ 3.7720	\$ 3.9520	\$ 5.0840	\$ 5.4200	\$ 5.4620
Cook County.....	0.5310	0.5600	0.5680	0.5520	0.5330
Forest Preserve District of Cook County.....	0.0630	0.0690	0.0690	0.0690	0.0630
Thornton Township(2).....	0.6930	0.7620	0.8440	0.9110	0.8830
Metropolitan Water Reclamation District of Greater Chicago ...	0.3700	0.4170	0.4300	0.4260	0.4060
South Cook County Mosquito Abatement District.....	0.0140	0.0160	0.0170	0.0170	0.0170
Village of Thornton Library Fund.....	0.2340	0.2450	0.2750	0.2950	0.3120
School District Number 154.....	4.0070	4.2790	4.6300	4.6580	4.9660
High School District Number 205.....	5.4250	5.9080	6.2090	6.6770	6.5320
Community College District Number 510.....	<u>0.5110</u>	<u>0.5590</u>	<u>0.5990</u>	<u>0.6210</u>	<u>0.6070</u>
Total Rates(3).....	\$15.6200	\$16.7670	\$18.7250	\$19.6460	\$19.7810

- Notes: (1) Source: Cook County Clerk.
(2) Includes Consolidated Elections, General Assistance and Road and Bridge.
(3) Representative tax rates for other governmental units are from Thornton Township tax code 37067, which represents approximately 68% of the Village's 2016 EAV, the most current available.

MAJOR VILLAGE TAXPAYERS(1)

<u>Name</u>	<u>Product or Service</u>	<u>2016 EAV(2)</u>
Hanson Aggregates.....	Cut Stone and Stone Products.....	\$ 8,693,926
Ventura Foods LLC.....	Plastic Products.....	1,369,705
UPS RE Department.....	Package Delivery.....	353,526
Individual.....	Real Property.....	319,206
Individual.....	Real Property.....	294,984
First Industrial Realty.....	Real Estate Services.....	282,476
Reliable Materials Corporation.....	Real Property.....	265,253
DSL Realty LLC.....	Real Property.....	224,259
Individual.....	Real Property.....	193,000
RZ&E Properties.....	Real Property.....	<u>170,687</u>
Total.....		\$12,167,020
Ten Largest Taxpayers as a Percent of the Village's 2016 EAV (\$43,785,989).....		27.79%

- Notes: (1) Source: Cook County Clerk.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2016 EAV is the most current available.

TAX EXTENSIONS AND COLLECTIONS(1)

<u>Tax Levy Year</u>	<u>Taxes Extended</u>	<u>Total Collections</u>	
		<u>Amount</u>	<u>Percent</u>
2009	\$1,920,642	\$1,784,588	92.92%
2010	1,901,326	1,882,754	99.02%
2011	1,939,944	1,882,531	97.04%
2012	1,939,980	1,939,758	99.99%
2013	1,940,007	1,813,988	93.50%
2014	2,221,346	2,109,263	94.95%
2015	2,394,644	2,188,733	91.40%
2016	2,049,246	1,111,282	54.23%(2)

- Notes: (1) Source: the Village's fiscal year 2017 audited financial statement.
(2) Represents partial collections.

APPENDIX D

Audited Financial Statements of the Village for the Fiscal Year Ended April 30, 2017

The audited financial statements of the Village for the fiscal year ended April 30, 2017 (the “*Audit*”) contained in this Appendix, including the independent auditor’s report accompanying the Audit, has been prepared by Lauterbach and Amen, LLP (the “*Auditor*”). The Village has not requested the Auditor to update information contained in the Audit; nor has the Village requested that the Auditor consent to the use of the Audit in this Term Sheet. Other than as expressly set forth in this Term Sheet, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Term Sheet in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the Audit. If you have a specific question or inquiry relating to the financial information of the Village since the date of the Audit, you should contact the Village Administrator at (708) 877-4456.

VILLAGE OF THORNTON,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL
REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2017

VILLAGE OF THORNTON,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2017

Prepared by:
Finance Department

VILLAGE OF THORNTON, ILLINOIS

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VILLAGE OF THORNTON, ILLINOIS

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INTRODUCTORY SECTION

This section includes the Village's:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF THORNTON, ILLINOIS

**List of Principal Officials
April 30, 2017**

Robert R. Kolosh, Honorable Village President

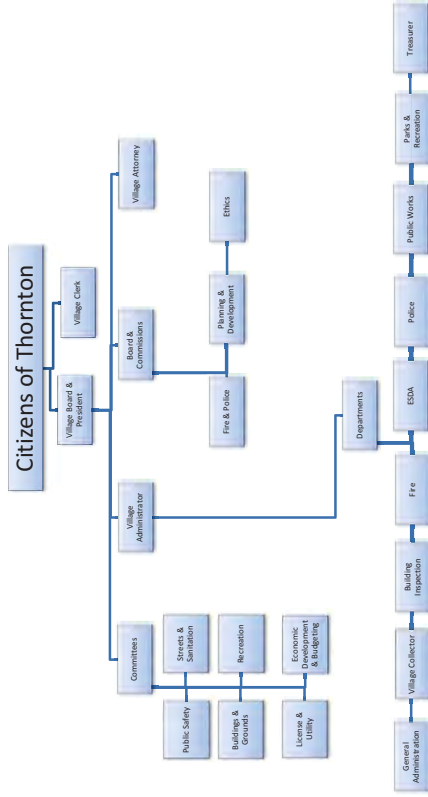
BOARD OF TRUSTEES

Kim Atkinson, Trustee
Tom Ehlers, Trustee
David Hudson, Trustee

Ernest Kaye, Trustee
Debra Paris, Trustee
Joseph Piszczewski, Trustee

ADMINISTRATION

Debra Piszczewski, Village Clerk





VILLAGE OF THORNTON

115 EAST MARGARET STREET • THORNTON, ILLINOIS 60476
PHONE (708) 877-4456/57 • FAX (708) 877-4458

September 12, 2017

The Honorable Robert R. Kolosh, Village President
Members of the Board of Trustees
Citizens of the Village of Thornton

The comprehensive annual financial report of the Village of Thornton for the fiscal year ended April 30, 2017 is hereby submitted.

This report consists of management's representations concerning the finances of the Village of Thornton. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Thornton's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Thornton's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Village of Thornton's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Thornton for the fiscal year ended April 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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Profile of the Village of Thornton

The Village of Thornton, incorporated in 1834, is located approximately 20 miles south of downtown Chicago, in southeastern Cook County. The Village covers an area of approximately 2.5 square miles. The Village is situated within a significant regional transportation network, which enables residents to be linked to a number of major employment centers in the Chicago metropolitan area. Access to Interstate 80/294 is located within one mile of the Village's corporate boundaries, while access to Interstate 94 is located approximately two miles from the Village's corporate boundaries.

The Village is governed by a President and Board of six Trustees. Policy making and legislative authority are vested in the Village Board. The Village Board is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Village Administrator and various Department Heads upon selection by the Village President. The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day-to-day operations of the Village. The Village President and Village Board are elected at-large on a non-partisan basis to staggered terms of four years.

The Village provides a full range of services, including building and zoning; code enforcement; community and economic development; maintenance of streets, sidewalks and infrastructure; water distribution and waste water transmission; police protection; fire protection and paramedic services; and parks and recreation. For financial reporting purposes, in conformity with the Governmental Accounting Standards Board Statement No. 39, this report includes all the funds and component units of the Village. The Village is a member of an intergovernmental insurance pool, the Illinois Municipal League Risk Management Association (IMLRMA). This pool is defined as a public entity risk pool and is accounted for accordingly.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Village Administrator during the second week of January of each year. The Village Administrator uses these requests as the starting point for developing the proposed budget. The Village Administrator then presents this proposed budget to the Village Board in March of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th of each year. The Village Board may make transfers of appropriations periodically throughout the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Economic Condition and Outlook

For several years now, the Village's General Fund has finished with modest surpluses. Each fiscal year since 2009 has seen the Village continue to operate with surpluses in the Village's General Fund, steadily increasing Village reserves towards targeted levels which were set in the Village's 2013 adopted Fund Balance Policy. Targeted reserves are a minimum of four months and a maximum of six months unassigned fund balance. Through this policy the Board passed a Resolution to move \$550,000 from its unassigned fund balance to its Capital Fund as it had met targeted levels. This has made a fairly positive significant impact on our Capital Fund.

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Much of these accomplishments have occurred despite stagnant revenues. The Village of Thornton is geographically landlocked, which has limited the potential for new commercial, industrial or residential development. Due to the modest commercial tax base within the community, the Village government is reliant on property taxes to finance the majority of General Fund expenditures. In addition, the Village is home to one of the world's largest active limestone quarries, owned and operated by Hanson Material Service. The externalities associated with mining operations in the community have further hindered the Village's efforts to expand its commercial tax base. Over the last five years, the Village has started to see recovery from the recession. Jimboos restaurant and catering moved in from South Holland to give residents a much-requested sit-down restaurant. Skyline furniture, a long-standing business in the Village, decided to invest in its Thornton location and make it their corporate headquarters. JDM Collision closed two facilities and combined them into one central location in Thornton. Hareros Chemicals moved from Joliet to Thornton and the facility will become the footprint for all of their future remodels or new buildings. Some of these investments occurred in the Downtown TIF. The Village's Industrial TIF expired at the end of 2015. The Village's Downtown TIF District is financially self-sufficient, but only maintains minimal reserves for future development. The Village designated a new Blackstone TIF district, but the financial impact of that TIF won't start until future fiscal years.

The Village Board, working closely with Village staff, has taken the initiative to slowly take on Capital Projects/Purchases that have been neglected due to the recent recession. The Village uses previous fiscal year surpluses as well as revenues from one-time sources such as land sales to fund Capital Purchases. The Village also utilized some remaining bond funds from their 2014 road improvement bond that were not spent the previous fiscal year. Bond funds had to be spent by April of 2017. Village staff is working on a Capital Purchase policy which will drive a new 5-year Capital plan. For this fiscal year, Department Heads made Capital Purchases based on immediate departmental needs.

Capital Projects/Purchases:

- The Village expended the last of the remaining 2014 Bond funds. These funds were for streets and street related projects. With these funds, the Village resurfaced roads on Hunter and Water Streets. The Village also replaced the water main under Water Street, which included adding shut off valves, a new fire hydrant and new residential connections. The total cost of the project with engineering totaled \$294,446.
- Made the third and final payment of a 3-year lease for two vehicles for the Police Department, and a vehicle for the Fire Department.
- The Village replaced the roof on the Hubbard Street concession stand for a cost of \$2,500.
- A new treadmill was purchased for the Community Center's cardio room for \$3,898.
- A new air-conditioning unit was purchased for the Fire Department at a cost of \$2,800.
- A Stryker power cot was purchased for one of our two ambulances for \$20,994.

Long-term Financial Planning

The Village continues to look for ways to increase revenues and decrease expenditures to help balance the Village's budget. Although some aspects only impact the Village's annual budget process, others impact our long-term financial planning. Some examples of these types of decisions are:

Use of multi-year contracts – The Village has had a history of obtaining a ten year mining contract with Hanson Material Service. The ten year agreement is more stable than a mining tax which could fluctuate greatly from year to year based on the region's need for stone. The Village negotiated a twenty year sales tax sharing agreement with the Village of Homewood for their Menards expansion. Sales tax sharing should start in FY'19. The Village also negotiates multi-year expenditure contracts for garbage service (5 years), fireworks displays (3 years), and dispatching (3 years).

Labor negotiations – much like multi-year contracts, the Village negotiates a minimum of a three year contract with the police union. Negotiating multiple years can lower the Village's labor attorney costs and has a positive effect on employer-employee relations.

One time revenues – currently deposited solely in the Village's Capital Fund, this is done by the decisions of the Village Administrator and Treasurer and not by any policy. Along with the previously mentioned Capital Policy that the Village hasn't passed yet, this is a policy that staff is looking to implement as well.

Health Insurance – health insurance rates are continually on the rise. The Village recently started offering incentives to employees that enroll in HSA's. HSA's save the Village a significant amount of money over traditional PPO plans.

Other Information

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Thornton for its comprehensive annual financial report for the fiscal year ended April 30, 2016. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The timely preparation and submission of the comprehensive annual financial report was made possible by the dedicated service of the Village staff, as well as the assistance of our auditing firm, Lauterbach and Amen, LLP. We would like to express our sincere appreciation to all, as well as the President and Board of Trustees who encourage and insist upon the highest standards of excellence in planning and conducting the financial operations of the Village.

Respectfully submitted,



Douglas Beckman
Village Administrator



Arlette Frye
Village Treasurer



Government Finance Officers Association

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

Presented to

**Village of Thornton
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2016



Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules



INDEPENDENT AUDITORS' REPORT

September 12, 2017

The Honorable Village President
Members of the Board of Trustees
Village of Thornton, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information of the Village of Thornton, Illinois, as of and for the year ended April 30, 2017, 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 of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information of the Village of Thornton, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Village of Thornton, Illinois
September 12, 2017
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 Thornton, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The introductory and statistical sections 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.

Lauterbach & Amen LLP
LAUTERBACH & AMEN, LLP

VILLAGE OF THORNTON, ILLINOIS

**Management's Discussion and Analysis
April 30, 2017**

Our discussion and analysis of the Village of Thornton's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2017. Please read it in conjunction with the Village's transmittal letter which begins on page iii and the Village's financial statements, which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Village's net position decreased as a result of this year's operations. The net position of business-type activities decreased by \$38,258 or 7.3 percent and net position of governmental activities decreased by \$150,188 or 2.5 percent.
- During the year, government-wide governmental revenues for the primary government totaled \$4,928,386, while expenses totaled \$5,116,832, resulting in a decrease to net position of \$188,446.
- The Village's net position totaled \$6,449,762 on April 30, 2017, which includes \$4,171,696 invested in capital assets, net of related debt, \$711,594 subject to external restrictions, and \$1,566,472 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$413,486, resulting in ending fund balance of \$1,576,951, a decrease of 20.8 percent. The deficit is directly related to a transfer to the Capital Fund of \$550,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 6) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 7. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

MD&A 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works and culture and recreation. The business-type activities of the Village include water and sewer operations.

The Village includes one separate legal entity in its report. The Thornton Public Library is presented as a discretely presented component unit. Although legally separate, this "component unit" is important because the Village is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

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

MD&A 2

VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

The Village maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service, Capital Projects Fund and Downtown TIF Fund, which are considered major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 7-12 of this report.

Proprietary Funds

The Village maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes an enterprise fund to account for its water and sewer operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village. The basic proprietary fund financial statements can be found on pages 13 - 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and Other Post Employment Benefit Plan employee pension obligations and General Fund budgetary comparison schedule. Required supplementary information can be found on pages 50 - 53 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 54 - 76 of this report.

MD&A 3

VILLAGE OF THORNTON, ILLINOIS
 Management's Discussion and Analysis
 April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables, show that in the case of the Village, assets/deferred outflows exceeded liabilities/deferred outflows by \$6,449,762.

	Net Position		
	Governmental Activities	Business-Type Activities	Total
	2017	2017	2017
Current and Other Assets	\$ 4,317,892	238,284	4,556,176
Capital Assets	6,215,478	531,218	6,746,696
Total Assets	10,533,370	769,502	11,302,872
Deferred Outflows	279,834	340,225	620,059
Total Assets/Deferred Outflows	10,813,504	1,109,727	11,923,231
Long-Term Debt	3,073,316	34,116	3,107,432
Other Liabilities	482,216	483,906	966,122
Total Liabilities	3,555,532	518,022	4,073,554
Deferred Inflows	1,296,527	1,355,663	2,652,190
Total Liabilities and Deferred Inflows	4,852,059	1,873,685	6,725,744
Net Position	3,640,478	346,042	3,986,520
Net Investment in Capital Assets	711,594	-	711,594
Restricted	1,609,073	(42,601)	1,566,472
Unrestricted	5,961,145	488,617	6,449,762
Total Net Position	8,280,696	532,016	8,812,712

A large portion of the Village's net position, \$4,171,696 or 64.7 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$711,594 or 11.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 24.3 percent, or \$1,566,472, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

VILLAGE OF THORNTON, ILLINOIS
 Management's Discussion and Analysis
 April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Governmental Activities		Business-Type Activities		Total
	2017	2016	2017	2016	
	Changes in Net Position				
Revenues					
Program Revenues					
Charges for Services	\$ 458,549	449,615	640,757	620,056	1,099,306
Operating Grants/Contrib.	60,360	60,183	-	-	60,360
Capital Grants/Contrib.	-	-	-	-	-
General Revenues	2,344,774	2,517,212	-	-	2,344,774
Property Taxes	366,652	369,787	-	-	366,652
Utility Taxes	236,479	232,387	-	-	232,387
State Sales and Use Taxes	220,999	249,167	-	-	220,999
Income Taxes	553,285	560,677	-	-	553,285
Other Taxes	10,058	2,217	449	60	10,507
Interest	36,024	52,116	-	-	36,024
Miscellaneous	4,287,180	4,493,361	641,206	620,116	4,928,386
Total Revenues	1,059,992	1,514,178	-	-	1,514,178
Expenses	2,381,254	2,334,403	-	-	2,381,254
General Government	661,165	173,766	-	-	661,165
Public Safety	198,330	206,509	-	-	198,330
Public Works	127,049	135,611	-	-	127,049
Culture and Recreation	-	-	689,042	761,082	689,042
Interest on Long-Term Debt	4,427,790	4,364,467	689,042	761,082	5,116,832
Water and Sewer	-	-	-	-	-
Total Expenses	(140,610)	128,894	(47,836)	(140,966)	(188,446)
Change in Net Position Before Transfers	(9,578)	(73,037)	9,578	73,037	-
Transfers	(150,188)	55,857	(38,258)	(67,929)	(188,446)
Change in Net Position	6,111,333	6,055,476	526,875	594,804	6,638,208
Net Position-Beginning	5,961,145	6,111,333	488,617	526,875	6,449,762
Net Position-Ending	11,072,478	12,166,809	1,015,492	1,121,779	12,188,260

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

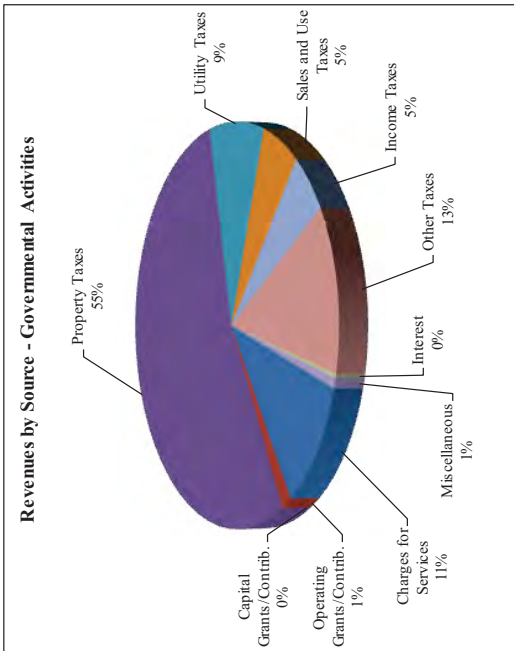
Net position of the Village's governmental activities decreased by 2.5 percent (\$5,961,145 in 2017 compared to \$6,111,333 in 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,609,073 at April 30, 2017.

Net position of business-type activities decreased by 7.3 percent (\$488,617 in 2017 compared to \$526,875 in 2016).

Governmental Activities

Revenues for governmental activities totaled \$4,287,180, while the cost of all governmental functions totaled \$4,427,790. This results in a deficit of \$140,610 prior to the transfer out of \$9,578. In 2016, revenues of \$4,493,361 exceeded expenses of \$4,364,467, resulting in a surplus of \$128,894 prior to transfers out of \$73,037.

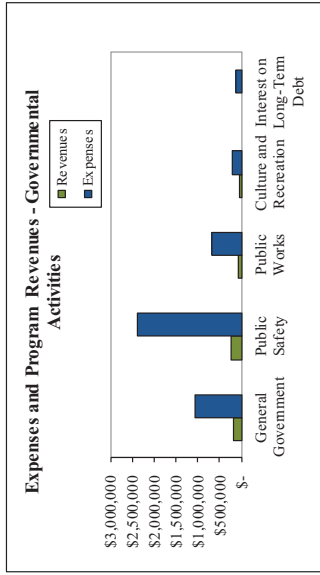
The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of property taxes and charges for services to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from interest and miscellaneous income.



GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

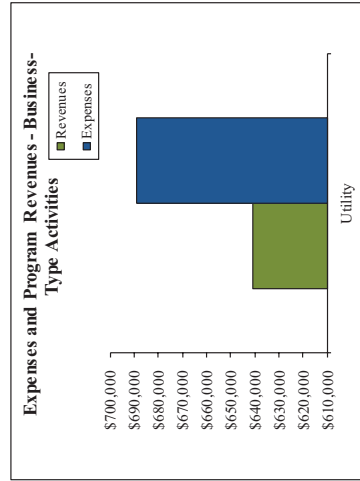
Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



Business-Type Activities

Business-type activities posted total revenues of \$641,206, while the cost of all business-type activities totaled \$689,042. This results in a deficit of \$47,836 prior to a transfer in of \$9,578. In 2016, expenses of \$761,082 exceed revenues of \$620,116, resulting in a deficit of \$140,966, prior to a transfer in of \$73,037. The deficit in the current year was a result of higher than anticipated increases in water costs from suppliers.



The above graph compares program revenues to expenses for water and sewer operations.

VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's governmental funds reported combining ending fund balances of \$2,888,569, which is \$280,658 or 8.9 percent, less than last year's total of \$3,169,227. Of the \$2,888,569 total, \$1,481,793, or approximately 51.3 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a negative change in fund balance for the year of \$413,486, a decrease of 20.8 percent. A transfer of \$550,000 to the Capital Fund attributed to this decrease. Further details are outlined on the General Fund budgetary highlights on the next page.

The General Fund is the chief operating fund of the Village. At April 30, 2017, unassigned fund balance in the General Fund was \$1,482,715, which represents 94.0 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 41.1 percent of total General Fund expenditures.

The Debt Service Fund reported a deficit in the current year of \$5,830 based on property tax collections and timing of debt service payments. The ending fund balance of \$170,564 is restricted for future debt service costs.

The Capital Projects Fund reported a surplus of \$154,885 for this fiscal year. This is a result of a transfer from the General Fund of \$550,000 and planned capital expenditures.

The Downtown TIF Fund reported a net decrease of \$45,894. The Village continued to promote economic development within its downtown area. \$53,633 of current expenditures was planned for a public works projects within the redevelopment area.

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VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sewer Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer system. Water is purchased primarily from the City of Chicago Heights. The Village purchases water from the Village of South Holland to service property owners north of the interstate. The current year's charges for service of \$640,757 increased \$20,701 or 3.3 percent. Expenses of \$688,732 were \$71,063, or 9.4 percent less than the prior year. This resulted in a decrease in net position before nonoperating revenues and expenses and transfers of \$47,975. Transfers from the Capital Projects Fund of \$9,578 were used to fund infrastructure improvements.

The Village intends to run the fund at a breakeven rate. Periodically, there will be annual surplus or draw down due to timing of capital projects. The net position in the Water and Sewer Fund at April 30, 2017 was \$488,617, while the previous fiscal year reported net position of \$526,875. Unrestricted net position in the Water and Sewer Fund was a deficit of \$42,601. The Village Board has undertaken the process of evaluating fees in conjunction with the ever increasing cost of water from its suppliers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board amends the budget periodically as needed. General Fund actual revenues for the year totaled \$3,740,276, compared to budgeted revenues of \$3,959,447 or \$219,171 less than budgeted. Charges for Services were higher than budgeted by \$37,829. All other revenues were less than budgeted with the most significant being taxes less than budgeted by \$140,580.

The General Fund actual expenditures for the year were \$372,320 lower than budgeted (\$3,603,762 actual compared to \$3,976,082 budgeted). All of the functions (general government, public safety, public works and culture and recreation) actual expenditures were lower than budgeted expenditures by \$94,263; \$175,826; \$75,488 and \$16,748 respectively due to cost controlling measures throughout the year by the Village's Board and management.

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VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2017 was \$6,746,696 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, vehicles, infrastructure water distribution system.

	Capital Assets - Net of Depreciation				
	Governmental Activities		Business-type Activities		Total
	2017	2016	2017	2016	
Land	\$ 1,336,821	1,336,821	12,500	12,500	1,349,321
Land Improvements	14,397	18,936	-	-	14,397
Buildings and Improvements	1,826,214	1,913,759	93,724	98,746	1,919,938
Machinery and Equipment	242,293	276,153	87,834	126,868	330,127
Vehicles	680,638	771,171	-	-	680,638
Infrastructure	2,115,115	1,962,639	-	-	2,115,115
Water Distribution System	-	-	337,160	325,070	337,160
Total	6,215,478	6,279,479	531,218	563,184	6,746,696

This year's major additions included:

Buildings and Improvements	\$ 7,198
Machinery and Equipment	29,773
Vehicles	20,000
Infrastructure	306,046
Water Distribution System	37,800
	<u>400,817</u>

Additional information on the Village's capital assets can be found in note 3 on pages 29 - 30 of this report.

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VILLAGE OF THORNTON, ILLINOIS

Management's Discussion and Analysis
April 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the Village had total outstanding debt of \$2,575,000 as compared to \$2,822,792 the previous year, a decrease of 8.8 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding				
	Governmental Activities		Business-type Activities		Total
	2017	2016	2017	2016	
General Obligation Bonds	\$ 2,575,000	2,775,000	-	-	2,575,000
Installment Contracts	-	32,016	-	15,776	-
Total	2,575,000	2,807,016	-	15,776	2,575,000

Additional information on the Village's long-term debt can be found in Note 3 on pages 31 - 34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2018 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation, slumping interest rates, and soaring unemployment rates.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Treasurer, Village of Thornton, 115 East Margaret Street, Thornton, IL 60476.

MD&A 11

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds
Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

See Following Page

VILLAGE OF THORNTON, ILLINOIS

Statement of Net Position
April 30, 2017

	Governmental Activities	Business- Type Activities	Totals	Component Unit	
				Public	Library
ASSETS					
Current Assets					
Cash and Investments	\$ 2,881,129	122,709	3,003,838	211,590	
Receivables - Net of Allowances					
Property Taxes	1,158,513	-	1,158,513	76,061	
Other Taxes	117,581	-	117,581	3,834	
Accounts	4,222	105,368	109,590	-	
Due from Other Governments	62,211	-	62,211	-	
Prepays	94,236	10,207	104,443	5,943	
Total Current Assets	4,317,892	238,284	4,556,176	297,428	
Noncurrent Assets					
Capital Assets					
Nondepreciable	1,336,821	12,500	1,349,321	-	
Depreciable	13,873,100	1,798,934	15,672,034	107,864	
Accumulated Depreciation	(8,994,443)	(1,280,216)	(10,274,659)	(84,602)	
Total Noncurrent Assets	6,215,478	531,218	6,746,696	23,262	
Total Assets	10,533,370	769,502	11,302,872	320,690	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	279,834	20,897	300,731	11,831	
Total Assets/ Deferred Outflows of Resources	10,813,204	790,399	11,603,603	332,521	

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Totals	Component Unit	
				Public	Library
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 104,840	255,960	360,800	3,762	
Accrued Payroll	100,335	4,665	105,000	76,061	
Accrued Interest Payable	45,376	-	45,376	-	
Current Portion of Long-Term Liabilities	231,665	1,636	233,301	-	
Total Current Liabilities	482,216	262,261	744,477	79,823	
Noncurrent Liabilities					
Compensated Absences Payable	106,658	6,542	113,200	-	
Net Pension Liability - IMRF	369,252	27,574	396,826	15,217	
Net Other Post-Employment Benefits Obligation Payable	227,406	-	227,406	-	
General Obligation Bonds Payable	2,370,000	-	2,370,000	-	
Total Noncurrent Liabilities	3,073,316	34,116	3,107,432	15,217	
Total Liabilities	3,555,532	296,377	3,851,909	95,040	
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	1,224,148	-	1,224,148	-	
Deferred Items - IMRF	72,379	5,405	77,784	2,983	
Total Deferred Inflows of Resources	1,296,527	5,405	1,301,932	2,983	
Total Liabilities and Deferred Inflows of Resources	4,852,059	301,782	5,153,841	98,023	
NET POSITION					
Net Investment in Capital Assets					
Restricted - Motor Fuel Tax	3,640,478	531,218	4,171,696	23,262	
Restricted - Grants	78,907	-	78,907	-	
Restricted - Public Safety	1,934	-	1,934	-	
Restricted - Debt Service	25,124	-	25,124	-	
Restricted - Tax Increment Financing	125,188	-	125,188	-	
Unrestricted	480,441	-	480,441	-	
Total Net Position	1,609,073	(42,601)	1,566,472	211,236	
	5,961,145	488,617	6,449,762	234,498	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Statement of Activities
For the Fiscal Year Ended April 30, 2017

	Program Revenues		
	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities			
General Government	\$ 1,059,992	-	-
Public Safety	2,381,254	1,100	-
Public Works	661,165	59,260	-
Culture and Recreation	198,330	-	-
Interest on Long-Term Debt	127,049	-	-
Total Governmental Activities	4,427,790	60,360	-
Business-Type Activities			
Water and Sewer	689,042	640,757	-
Total Primary Government	5,116,832	1,099,306	60,360
Component Unit - Public Library	170,083	1,370	1,802

General Revenues	
Taxes	
Property	
Utility	
Other	
Intergovernmental - Unrestricted	
State Sales and Use	
Income Taxes	
Replacement Taxes	
Interest	
Miscellaneous	
Transfers - Internal Activity	
Change in Net Position	
Net Position - Beginning	
Net Position - Ending	

The notes to the financial statements are an integral part of this statement.

	Net (Expense)/Revenue			Component Unit
	Governmental Activities	Primary Government Business-Type Activities	Total	
	(872,811)	-	(872,811)	-
	(2,157,651)	-	(2,157,651)	-
	(601,905)	-	(601,905)	-
	(149,465)	-	(149,465)	-
	(127,049)	-	(127,049)	-
	(3,908,881)	-	(3,908,881)	-
	-	(48,285)	(48,285)	-
	(3,908,881)	(48,285)	(3,957,166)	-
	-	-	-	(166,911)

2,344,774	-	2,344,774	121,155
366,652	-	366,652	-
502,346	-	502,346	-
236,479	-	236,479	-
220,999	-	220,999	-
50,939	-	50,939	3,834
10,058	449	10,507	212
36,024	-	36,024	250
(9,578)	9,578	-	-
3,758,693	10,027	3,768,720	125,451
(150,188)	(38,258)	(188,446)	(41,460)
6,111,333	526,875	6,638,208	275,958
5,961,145	488,617	6,449,762	234,498

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2017

	General	Capital Projects			Totals
		Debt Service	Capital Projects	Downtown TIF	
ASSETS					
Cash and Investments	\$ 1,560,693	170,711	549,770	245,798	2,881,129
Receivables - Net of Allowances					
Property Taxes	990,653	167,860	-	-	1,158,513
Other Taxes	117,581	-	-	-	117,581
Accounts	-	-	-	-	4,222
Due from Other Governments	57,092	-	-	-	62,211
Prepays	94,236	-	-	-	94,236
Total Assets	2,820,255	338,571	549,770	245,798	4,317,892
LIABILITIES					
Accounts Payable	86,828	-	-	12,790	104,840
Accrued Payroll	100,335	-	-	-	100,335
Total Liabilities	187,163	-	-	12,790	205,175
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	1,056,141	168,007	-	-	1,224,148
Total Liabilities and Deferred Inflows of Resources	1,243,304	168,007	-	12,790	1,429,323
FUND BALANCES					
Nonspendable	94,236	-	-	-	94,236
Restricted	-	170,564	-	233,008	756,970
Assigned	-	-	549,770	-	555,570
Unassigned	1,482,715	-	-	-	1,481,793
Total Fund Balances	1,576,951	170,564	549,770	233,008	2,888,569
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,820,255	338,571	549,770	245,798	4,317,892

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Reconciliation of Total Governmental Fund Balance to
Net Position - Governmental Activities

April 30, 2017

Total Governmental Fund Balances \$ 2,888,569

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.

6,215,478

See Following Page

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.
Deferred Items - IMRF

207,455

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences Payable (133,323)
Net Pension Liability Payable (369,252)
Net Other Post-Employment Benefit Obligation Payable (227,406)
General Obligation Bonds Payable (2,575,000)
Accrued Interest Payable (45,376)

Net Position of Governmental Activities

5,961,145

VILLAGE OF THORNTON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2017

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2017

	General	Capital Projects			Totals
		Debt Service	Capital Projects	Downtown TIF	
Revenues					
Taxes	\$ 2,776,190	323,923	-	117,454	(3,795)
Licenses, Permits and Fees	68,171	-	-	-	-
Intergovernmental	508,417	-	-	-	60,360
Charges for Services	274,029	-	-	-	24,134
Fines and Forfeitures	71,144	-	-	-	21,071
Interest	6,301	-	1,357	1,130	1,270
Miscellaneous	36,024	-	-	-	-
Total Revenues	<u>3,740,276</u>	<u>323,923</u>	<u>1,357</u>	<u>118,584</u>	<u>103,040</u>
Expenditures					
Current					
General Government	676,135	803	-	89,286	15,886
Public Safety	2,195,504	-	-	-	28,266
Public Works	556,531	-	-	-	44,185
Culture and Recreation	175,592	-	-	-	-
Capital Outlay	-	-	352,946	53,633	6,595
Debt Service	-	200,000	32,016	-	-
Principal Retirement	-	128,950	1,932	-	-
Interest and Fiscal Charges	-	329,753	386,894	142,919	94,932
Total Expenditures	<u>3,603,762</u>	<u>603,703</u>	<u>384,812</u>	<u>142,919</u>	<u>109,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,514	(5,830)	(385,537)	(24,335)	8,108
Other Financing Sources (Uses)					
Transfers In	-	-	550,000	-	21,559
Transfers Out	(550,000)	-	(9,578)	(21,559)	-
	<u>(550,000)</u>	<u>-</u>	<u>540,422</u>	<u>(21,559)</u>	<u>21,559</u>
Net Change in Fund Balances	(413,486)	(5,830)	154,885	(45,894)	29,667
Fund Balances - Beginning	1,990,437	176,394	394,885	278,902	328,609
Fund Balances - Ending	<u>1,576,951</u>	<u>170,564</u>	<u>549,770</u>	<u>233,008</u>	<u>358,276</u>

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2017

VILLAGE OF THORNTON, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (280,658)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	363,017
Depreciation Expense	(427,018)
Disposal - Cost	(52,891)
Disposal - Accumulated Depreciation	52,891

See Following Page

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(132,770)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Increase to Compensated Absences Payable	(9,918)
Decrease to Net Pension Liability	111,937
Increase to Net Other Post-Employment Benefit Obligation	(10,627)
Retirement of General Obligation Bonds Payable	200,000
Retirement of Installment Contracts Payable	32,016

Changes to accrued interest on long-term debt in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

	3,833
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Changes in Net Position of Governmental Activities (150,188)

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2017

	<u>Business-Type Activities Water and Sewer</u>		<u>Business-Type Activities Water and Sewer</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 122,709		
Receivables - Net of Allowances			
Accounts	105,368		
Prepays	10,207		
Total Current Assets	<u>238,284</u>		
Noncurrent Assets			
Capital Assets			
Nondepreciable	12,500		
Depreciable	1,798,934		
Accumulated Depreciation	<u>(1,280,216)</u>		
Total Noncurrent Assets	531,218		
Total Assets	<u>769,502</u>		
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF			<u>20,897</u>
Total Assets/ Deferred Outflows of Resources			<u>790,399</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	255,960		
Accrued Payroll	4,665		
Compensated Absences Payable	1,636		
Net Pension Liability - IMRF	27,574		
Total Current Liabilities	<u>289,835</u>		
Noncurrent Liabilities			
Compensated Absences Payable	6,542		
Total Liabilities	<u>296,377</u>		
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF			<u>5,405</u>
Total Liabilities/Deferred Inflows of Resources			<u>301,782</u>
NET POSITION			
Net Investment in Capital Assets			531,218
Unrestricted			<u>(42,601)</u>
Total Net Position			<u>488,617</u>

The notes to the financial statements are an integral part of this statement.

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2017

Operating Revenues		Business-Type
Charges for Services	\$ 640,757	Activities
		Water and
		Sewer
Operating Expenses		
Operations	618,966	
Depreciation	69,766	
Total Operating Expenses	688,732	
Operating Income (Loss)	(47,975)	
Nonoperating Revenues (Expenses)		
Interest Income	449	
Interest Expense	(310)	
	139	
Income (Loss) Before Transfers	(47,836)	
Transfers In	9,578	
Change in Net Position	(38,258)	
Net Position - Beginning	526,875	
Net Position - Ending	488,617	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2017

Cash Flows from Operating Activities		Business-Type
Receipts from Customers and Users	\$ 670,044	Activities
Payments to Suppliers	(494,105)	Water and
Payments to Employees	(83,616)	Sewer
	92,323	
Cash Flows from Noncapital Financing Activities		
Transfers In	9,578	
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(37,800)	
Principal Payments	(15,776)	
Interest Expense	(310)	
	(53,886)	
Cash Flows from Investing Activities		
Interest Received	449	
Net Change in Cash and Cash Equivalents	48,464	
Cash and Cash Equivalents - Beginning	74,245	
Cash and Cash Equivalents - Ending	122,709	
Reconciliation of Operating Income to Net Cash		
Provided (Used) by Operating Activities		
Operating Income (Loss)	(47,975)	
Adjustments to Reconcile Operating Income		
Income to Net Cash Provided by		
(Used in) Operating Activities:		
Depreciation	69,766	
(Increase) Decrease in Current Assets	29,287	
Increase (Decrease) in Current Liabilities	41,245	
Net Cash Provided by Operating Activities	92,323	

The notes to the financial statements are an integral part of this statement.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Thornton, Illinois (Village) provides various municipal services to its residents. These services include police protection, fire protection, paramedic services, water and sewer systems, public works operations, road and bridge maintenance and general administration. The Village is a Home Rule unit under the Home Rule provision of the Illinois State Constitution.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Thornton
Discretely Presented Component Unit:	Thornton Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Thornton Public Library

The Thornton Public Library has a separate elected board and provides service to residents, generally within the geographic boundaries of the Village. The Library Board of Trustees annually determines its budget and resulting tax levy. Upon approval of the Village, the levy is submitted to the County. All debt of the Library is secured by the full faith and credit of the Village. The Library is considered a component unit of the Village of Thornton for purposes of these financial statements. The Library's report is presented in the Village of Thornton's Comprehensive Annual Financial Report.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, culture and recreation, and general administrative services are classified as governmental activities. The Village's water and sewer activities are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains four nonmajor special revenue funds.

Debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is reported as a major fund.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two major capital projects funds, the Capital Projects Fund and the Downtown TIF Fund. The Capital Projects Fund is used to account for the disbursement of bond proceeds and other resources for capital improvements and acquisitions. The Downtown TIF Fund is used to account for resources used for the acquisition or construction of major capital facilities within the Downtown Tax Increment Financing District. The Village also maintains three nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major proprietary fund, the Water and Sewer Fund, which is used to account 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 and maintenance, financing and related debt service, billing and collection

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Village’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 – 20 Years
Buildings and Improvements	5 – 45 Years
Water Distribution System	40 Years
Machinery and Equipment	3 – 20 Years
Vehicles	6 Years
Infrastructure	20 – 40 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The General Fund Budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The Village follows these procedures in establishing the appropriation data reflected in the financial statements.

1. The Village Treasurer submits to the Village Board of Trustees a proposed operating appropriation ordinance (budget) for the fiscal year commencing the following May 1. The operating budget include proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Village to obtain taxpayer comments.
3. Subsequently, the appropriation ordinance is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds.
5. Appropriations for the general and certain special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgetary authority lapses at the year-end.
7. State law requires that “expenditures be made in conformity with appropriation/budget.” As required under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
8. During the fiscal year the budget was amended by Village Board. Original and final amended budget amounts have been presented.

The Village adopted budgets for all funds except the DEA Fund and Industrial TIF Fund.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Debt Service	\$ 18,109

DEFICIT FUND BALANCE

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Blackstone TIF	\$ 922

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiles Statutes.

Permitted Deposits and Investments – 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, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The 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 operates 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.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits: At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$940,352 and the bank balances totaled \$964,622. In addition, the Village had \$2,063,486 invested in the Illinois Funds with an average maturity of less than one year.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Villages' investment policy does not limit the Village's investment portfolio to specific maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes authorize the Village to invest in securities which are guaranteed by the full faith and credit of the U.S. Government, direct obligations of qualified financial institutions, short-term obligations of U.S. corporations meeting certain requirements, and registered money market mutual funds meeting certain requirements and the Illinois Funds. The Village's investment in the Illinois Funds is rated AAAAm by Standard and Poor's.

Custodial Credit Risk: In the case of deposits, this 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 requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral witnessed by a written collateral agreement and held by an independent third party. At year-end, the Village's total bank balances were fully collateralized or insured.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk – Continued: For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not mitigate custodial credit risk for investments. Illinois Funds are not subject to custodial credit risk.

Concentration Risk: This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

	Transfer In	Transfer Out	Amount
Capital Projects		General	\$ 550,000
Water		Capital Projects	9,578
Nonmajor Governmental		Downtown TIF	21,559
			<u>581,137</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,336,821	-	-	1,336,821
Depreciable Capital Assets				
Land Improvements	388,847	-	-	388,847
Buildings and Improvements	3,193,235	7,198	-	3,200,433
Machinery and Equipment	1,977,614	29,773	-	2,007,387
Vehicles	2,280,357	20,000	52,891	2,247,466
Infrastructure	5,722,921	306,046	-	6,028,967
	13,562,974	363,017	52,891	13,873,100
Less Accumulated Depreciation				
Land Improvements	369,911	4,539	-	374,450
Buildings and Improvements	1,279,476	94,743	-	1,374,219
Machinery and Equipment	1,701,461	63,633	-	1,765,094
Vehicles	1,509,186	110,533	52,891	1,566,828
Infrastructure	3,760,282	153,570	-	3,913,852
	8,620,316	427,018	52,891	8,994,443
Total Net Depreciable Capital Assets	4,942,658	(64,001)	-	4,878,657
Total Net Capital Assets	6,279,479	(64,001)	-	6,215,478

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 186,347
Public Safety	157,484
Public Works	60,449
Culture and Recreation	22,738
	<u>427,018</u>

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 12,500	-	-	12,500
Depreciable Capital Assets				
Buildings and Improvements	244,716	-	-	244,716
Machinery and Equipment	638,500	-	-	638,500
Water Distribution System	877,918	37,800	-	915,718
	1,761,134	37,800	-	1,798,934
Less Accumulated Depreciation				
Buildings and Improvements	145,970	5,022	-	150,992
Machinery and Equipment	511,632	39,034	-	550,666
Water Distribution System	552,848	25,710	-	578,558
	1,210,450	69,766	-	1,280,216
Total Net Depreciable Capital Assets	550,684	(31,966)	-	518,718
Total Net Capital Assets	563,184	(31,966)	-	531,218

Depreciation expense was charged to business-type activities as follows:

Water and Sewer	\$ 69,766
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VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds have been issued for governmental activities. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,855,000 General Obligation Bonds of 2008, due in annual installments of \$60,000 to \$140,000 plus interest at 5.30% to 5.75% through December 15, 2029.	\$ 1,445,000	-	75,000	1,370,000
\$1,400,000 General Obligation Bonds of 2014, due in annual installments of \$70,000 to \$175,000 plus interest at 3.00% to 4.10% through December 15, 2024.	1,330,000	-	125,000	1,205,000
	<u>2,775,000</u>	<u>-</u>	<u>200,000</u>	<u>2,575,000</u>

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts

The government enters into installment contracts to provide funds for the acquisition of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Installment Contract of 2012A, due in annual installments of \$11,295 to \$14,367 including interest at 6.20% through July 6, 2016.	\$ 13,529	-	13,529	-
Installment Contract of 2013A, due in annual installments of \$7,191 including interest at 6.45% through October 25, 2016.	6,755	-	6,755	-
Installment Contract of 2014, due in annual installments of \$29,159 including interest at 6.00% through December 11, 2016.	27,508	-	27,508	-
	<u>47,792</u>	<u>-</u>	<u>47,792</u>	<u>-</u>

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 123,405	19,836	9,918	133,323	26,665
Net Pension Liability - IMRF	481,189	-	111,937	369,252	-
Net Other Post-Employment Benefits Obligation	216,779	10,627	-	227,406	-
General Obligation Bonds	2,775,000	-	200,000	2,575,000	205,000
Installment Contracts	32,016	-	32,016	-	-
	<u>3,628,389</u>	<u>30,463</u>	<u>353,871</u>	<u>3,304,981</u>	<u>231,665</u>
Business-Type Activities					
Compensated Absences	6,096	4,164	2,082	8,178	1,636
Net Pension Liability - IMRF	36,664	-	9,090	27,574	-
Installment Contracts	15,776	-	15,776	-	-
	<u>58,536</u>	<u>4,164</u>	<u>26,948</u>	<u>35,752</u>	<u>1,636</u>

For governmental activities, payments on the compensated absences, the net pension liability, and the net other post-employment benefits obligation are made by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. The Capital Projects Fund makes payments on the installment contracts.

For the business-type activities, the compensated absences, the net pension liability, and the installment contracts are liquidated by the Water and Sewer Fund.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year		Governmental Activities	
		General Obligation Bonds	Interest
2018	\$	205,000	121,000
2019		215,000	112,900
2020		225,000	104,370
2021		235,000	95,410
2022		250,000	85,160
2023		260,000	74,273
2024		270,000	62,362
2025		285,000	49,725
2026		115,000	36,225
2027		120,000	29,613
2028		125,000	22,712
2029		130,000	15,525
2030		140,000	8,050
Total		<u>2,575,000</u>	<u>817,325</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2017:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	6,215,478
Less Capital Related Debt:		
General Obligation Bonds of 2008	(1,370,000)	
General Obligation Bonds of 2014	(1,205,000)	
		<u>3,640,478</u>
Net Investment in Capital Assets		<u>531,218</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Minimum Fund Balance Policy. The Villages policy manual states that the General Fund should maintain a minimum fund balance equal to 33% to 50% of budgeted operating expenditures.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Projects Fund, a major fund, and in the Vehicle Replacement Fund, a nonmajor fund. The Village's Board/management (Finance Director) has assigned these funds to future equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects		Nonmajor	Totals
			Projects	Downtown TIF		
Fund Balances						
Nonspendable	\$ 94,236	-	-	-	-	94,236
Prepays						
Restricted						
Motor Fuel Tax	-	-	-	-	78,907	78,907
Grants	-	-	-	-	1,934	1,934
Public Safety	-	-	-	-	25,124	25,124
Tax Increment Financing	-	-	-	233,008	247,433	480,441
Debt Service	-	170,564	-	-	-	170,564
	-	170,564	-	233,008	353,398	756,970
Assigned						
Capital Projects	-	-	549,770	-	5,800	555,570
Unassigned	1,482,715	-	-	-	(922)	1,481,793
Total Fund Balances	<u>1,576,951</u>	<u>170,564</u>	<u>549,770</u>	<u>233,008</u>	<u>358,276</u>	<u>2,888,569</u>

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the Illinois Municipal League Risk Management Association and private insurance coverage. The Village has purchased insurance from private insurance companies, covered risks included medical, dental, life and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

Illinois Municipal League Risk Management Association (IMLRMA)

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of municipalities and special districts in Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its 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.

Each member appoints one delegate to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Association beyond its representation on the Board of Directors.

The Village participates in the minimum/maximum program with the Association. Initial contributions are determined each year based on administrative expenses plus 80% of the normal loss fund. Annually the claims of members participating in the program are reviewed and when the Village's paid claims dollars exceed 100% of the loss fund, additional amounts will be due from the Village up to, but not to exceed 120% of the normal loss fund. The Village's payments to IMLRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

CONTINGENT LIABILITIES

Litigation

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

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.

SUBSEQUENT EVENT

On July 17, 2017, the Village issued \$813,102 of Installment Contracts. The installment contracts bear interest at a rate of 3.21% and are due in monthly installments of \$24,335 to \$49,007 through August 1, 2032.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The Village contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required. Benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years 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.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. 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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years 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.

Plan Membership. As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>25</u>
Total	<u>66</u>

The above membership totals include information for both the Village and the Library.

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 Village's annual contribution rate for calendar year 2016 was 9.24% of covered payroll.

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

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 tables was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and the discount rate used in the prior valuation was 7.49%. 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 Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/ (Asset)			
Village	\$ 1,370,992	396,826	(380,666)
Library	52,575	15,217	(14,598)
Totals	1,423,567	412,043	(395,264)

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 5,795,074	5,263,943	531,131
Changes for the year:			
Service Cost	156,684	-	156,684
Interest on the Total Pension Liability	430,106	-	430,106
Difference Between Expected and Actual Experience of the Total Pension Liability	(93,760)	-	(93,760)
Changes of Assumptions	(9,255)	-	(9,255)
Contributions - Employer	-	135,562	(135,562)
Contributions - Employees	-	66,030	(66,030)
Net Investment Income	-	364,524	(364,524)
Benefit Payments, including Refunds of Employee Contributions	(262,037)	(262,037)	-
Other (Net Transfer)	-	36,747	(36,747)
Net Changes	221,738	340,826	(119,088)
Balances at December 31, 2016	6,016,812	5,604,769	412,043
Net Pension Liability Village	5,857,408	5,460,582	396,826
Library	159,404	144,187	15,217
Totals	6,016,812	5,604,769	412,043

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2017, the Village recognized pension expense of \$151,874 and the Library recognized pension expense of \$7,453. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 15,428	(73,511)	(58,083)
Change in Assumptions	5,167	(7,256)	(2,089)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	248,707	-	248,707
Total Pension Expenses to be Recognized in Future Periods	269,302	(80,767)	188,535
Pension Contributions Made Subsequent to the Measurement Date	43,260	-	43,260
Total Deferred Amounts Related to IMRF	312,562	(80,767)	231,795
Total Deferred Amounts Related to IMRF	300,731	(77,784)	222,947
Village	11,831	(2,983)	8,848
Library	312,562	(80,767)	231,795
Totals			

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources		
	Village	Library	Total
2018	\$ 63,885	2,450	66,335
2019	63,885	2,450	66,335
2020	61,649	2,364	64,013
2021	(7,845)	(303)	(8,148)
2022	-	-	-
Thereafter	-	-	-
Total	181,574	6,961	188,535

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

The Village provides pre and post Medicare post-employment health insurance to retirees, their spouses and dependents who were enrolled in one of the Village's healthcare plans at the time of the employees' retirement. To be eligible for benefits, the employee must qualify for retirement under the Village's retirement plan.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

The Village provides for retiree medical (including prescription drugs) to current and future eligible retirees and their spouses by paying 50% of their premiums until Medicare eligibility at the attainment age of 65. The plan also provides for eligible retirees to continue coverage under the Village plan after the age of 65 by retirees paying 100% of the premiums. Dependents are provided access to coverage on a fully contributory basis. Eligible employees need 20 years of service credit. This is a single-employer plan. The Retiree Health Plan does not issue a publicly available financial report. For this fiscal year ending April 30, 2017, retirees contributed zero dollars.

At April 30, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	-
Active Employees	<u>13</u>
Total	<u><u>13</u></u>
Participating Employers	1

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2017, was calculated as follows:

Annual Required Contribution	\$ 9,182
Interest on the NOPEBO	8,671
Adjustment to the ARC	<u>(7,226)</u>
Annual OPEB Cost	10,627
Actual Contribution	<u>-</u>
Change in the NOPEBO	10,627
NOPEBO - Beginning	<u>216,779</u>
NOPEBO - Ending	<u><u>227,406</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 42,787	\$ 4,512	10.55%	\$ 206,698
2016	10,081	-	0.00%	216,779
2017	10,627	-	0.00%	227,406

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2016, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 80,138
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 80,138
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 914,784
UAAL as a Percentage of Covered Payroll	8.76%

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 contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the April 30, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate or return and an initial healthcare trend rate of 7.8% with an ultimate healthcare inflation rate of 5.8%, a 3.0% price inflation assumption, a 4.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017, was 30 years.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – THORNTON PUBLIC LIBRARY

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize the Library 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 Illinois Funds.

Library Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$211,590 and the bank balances totaled \$220,491.

Interest Rate Risk. On February 19, 2014 the Library's board adopted the Library's investment policy.

Credit Risk. On February 19, 2014 the Library's board adopted the Library's investment policy.

Custodial Credit Risk. On February 19, 2014 the Library's board adopted the Library's investment policy. At year-end, all deposits are collateralized.

Concentration Risk. On February 19, 2014 the Library's board adopted the Library's investment policy. At year-end, the Library has no investments that represent over 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

VILLAGE OF THORNTON, ILLINOIS

Notes to the Financial Statements
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – THORNTON PUBLIC LIBRARY – Continued

CAPITAL ASSETS – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Building and Improvements	15 – 20 Years
Equipment	5 – 45 Years

Component unit capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	\$ 55,079	-	-	55,079
Equipment	52,785	-	-	52,785
	<u>107,864</u>	<u>-</u>	<u>-</u>	<u>107,864</u>
Less Accumulated Depreciation				
Buildings and Improvements	33,048	2,754	-	35,802
Equipment	46,280	2,520	-	48,800
	<u>79,328</u>	<u>5,274</u>	<u>-</u>	<u>84,602</u>
Total Net Capital Assets	<u>28,536</u>	<u>(5,274)</u>	<u>-</u>	<u>23,262</u>

Depreciation expense was charged to component unit activities as follows:

Thornton Public Library	<u>\$ 5,274</u>
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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF THORNTON, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2017

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Apr. 30, 2012	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2013	-	278,396	0.00%	278,396	1,256,843	22.15%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	80,138	0.00%	80,138	914,784	8.76%
2017	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2012	\$ 6,385	\$ 40,096	15.92%
2013	4,257	37,826	11.25%
2014	4,257	39,307	10.83%
2015	4,512	38,275	11.79%
2016	-	8,703	0.00%
2017	-	9,182	0.00%

The Village is required to have the actuarial valuation performed triennially.

N/A - Not Available

VILLAGE OF THORNTON, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
April 30, 2017

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 161,431	\$ 161,431	\$ -	\$ 1,409,880	11.45%
2017	Village Library 130,555	130,555	-	1,412,948	9.24%
	5,007	5,007	-	54,184	9.24%
Totals	135,562	135,562	-	1,467,132	9.24%

Notes to the Required Supplementary Information:

Actuarial Cost Method: Entry Age Normal
 Amortization Method: Level % Pay (Closed)
 Remaining Amortization Period: 27 Years
 Asset Valuation Method: 5-Year Smoothed Market
 Inflation: 2.75%
 Salary Increases: 3.75% - 14.50%
 Investment Rate of Return: 7.50%
 Retirement Age: See the Notes to the Financial Statements
 Mortality: MP-2014 (bsse year 2012)

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF THORNTON, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2017

	2017		Totals
	2016	Village Library	
Total Pension Liability			
Service Cost	\$ 130,859	150,897	5,787
Interest	405,990	414,221	15,885
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	26,872	(96,634)	2,874
Change of Assumptions	9,001	(8,913)	(342)
Benefit Payments, Including Refunds of Member Contributions	(250,841)	(252,360)	(9,677)
Net Change in Total Pension Liability	321,881	207,211	14,527
Total Pension Liability - Beginning	5,473,193	5,650,197	144,877
Total Pension Liability - Ending	5,795,074	5,857,408	159,404
Plan Fiduciary Net Position			
Contributions - Employer	161,431	130,555	5,007
Contributions - Members	63,444	63,591	2,439
Net Investment Income	27,458	351,062	13,462
Benefit Payments, Including Refunds of Member Contributions	(250,841)	(252,360)	(9,677)
Administrative Expense	(242,213)	35,390	1,357
Net Change in Plan Fiduciary Net Position	(240,721)	328,238	12,588
Plan Net Position - Beginning	5,504,664	5,132,344	131,599
Plan Net Position - Ending	5,263,943	5,460,582	144,187
Employer's Net Pension Liability	\$ 531,131	396,826	15,217
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.83%	93.23%	90.45%
Covered-Employee Payroll	\$ 1,409,880	1,412,948	54,184
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	37.67%	28.08%	28.08%

Note: This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 2,916,770	2,916,770	2,776,190
Licenses, Permits and Fees	85,500	85,500	68,171
Intergovernmental	556,477	556,477	508,417
Charges for Services	236,200	236,200	274,029
Fines and Forfeits	127,000	127,000	71,144
Interest	500	500	6,301
Miscellaneous	37,000	37,000	36,024
Total Revenues	3,959,447	3,959,447	3,740,276
Expenditures			
General Government	740,198	770,398	676,135
Public Safety	2,371,330	2,371,330	2,195,504
Public Works	632,019	632,019	556,531
Culture and Recreation	232,540	202,340	175,592
Total Expenditures	3,976,087	3,976,087	3,603,762
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,640)	(16,640)	136,514
Other Financing (Uses)			
Transfers Out	-	-	(550,000)
Net Change in Fund Balance	(16,640)	(16,640)	(413,486)
Fund Balance - Beginning			1,990,437
Fund Balance - Ending			1,576,951

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

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for state shared motor fuel tax revenues that are legally restricted to maintenance and construction of streets, sidewalks, alleys and traffic signals.

Grants Fund

The Grants Fund is used to account for revenues that are restricted due to the covenants of the specific grant agreements. The Village receives various grants on an ongoing basis and these funds can be used for such items as capital expenditures or law enforcement, depending on the specific grant received.

911 Emergency Service Fund

The 911 Emergency Fund is used to account for revenues received from the 911 surcharge that is collected by telecommunication companies for the specific purpose of providing emergency dispatching services.

DEA Fund

The DEA Fund is used to account for revenues received from the Department of Justice Asset Forfeiture Program. The use of these funds is restricted to law enforcement activities.

DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Debt Service Fund
 - Capital Projects Fund
 - Downtown Tax Increment Financing – Capital Projects Fund
- Nonmajor Governmental Funds
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Budgetary Comparison Schedules
 - Motor Fuel Tax – Special Revenue Fund
 - Grants Fund – Special Revenue Fund
 - 911 Emergency Services Fund – Special Revenue Fund
 - Blackstone Tax Increment Financing – Capital Projects Fund
 - Vehicle Replacement – Capital Projects Fund
- Budgetary Comparison Schedules – Enterprise Fund
 - Water and Sewer Fund

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

CAPITAL PROJECTS FUNDS - Continued

Capital Projects Fund

The Capital Projects Fund is used to account for the disbursement of bond proceeds and board approved transfers from other funds for capital improvements and acquisitions.

Downtown Tax Increment Financing (TIF) Fund

The Downtown TIF Fund is used to account for resources used for the acquisition or construction of major capital facilities within the Downtown Tax Increment Financing District.

Industrial Tax Increment Financing (TIF) Fund

The Industrial TIF Fund is used to account for resources used for the acquisition or construction of major capital facilities within the Industrial Tax Increment Financing District.

Blackstone Tax Increment Financing (TIF) Fund

The Blackstone TIF Fund is used to account for resources used for the acquisition or construction of major capital facilities within the Blackstone Tax Increment Financing District.

Vehicle Replacement Fund

The Vehicle Replacement Fund is used to account for DUJ fines to be used for police vehicle replacement and maintenance.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account 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 and maintenance, financing and related debt service, billing and collection.

VILLAGE OF THORNTON, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 1,987,770	1,987,770	1,907,192
Electric Utility Taxes	165,000	165,000	143,842
Gas Utility Taxes	145,000	145,000	128,786
Telephone Taxes	66,000	66,000	60,757
Video Gaming Taxes	10,000	10,000	18,192
Franchise Cable Taxes	33,000	33,000	33,267
Material Service Contract (In Lieu of Mining Taxes)	510,000	510,000	484,154
Total Taxes	2,916,770	2,916,770	2,776,190
Licenses, Permits and Fees			
Building Permits	25,000	25,000	11,891
Business Licenses	8,000	8,000	8,320
Vehicle Stickers	45,000	45,000	42,310
Contractor Licenses	7,500	7,500	5,650
Total Licenses, Permits and Fees	85,500	85,500	68,171
Intergovernmental			
Replacement Taxes	43,058	43,058	50,939
State Sales Taxes	215,000	215,000	179,347
State Income Taxes	238,476	238,476	220,999
Foreign Fire Taxes	5,000	5,000	-
Local Use Taxes	54,943	54,943	57,132
Total Intergovernmental	556,477	556,477	508,417
Charges for Services			
Ambulance Fees	65,000	65,000	106,323
Lease Payment	75,000	75,000	77,690
Recreation Participant Fees	45,000	45,000	48,865
Rental Inspection Fee	9,500	9,500	7,539
Special Use Fees	700	700	1,250
Tipping Fees	40,000	40,000	32,362
Sign Inspection Annual Fee	1,000	1,000	-
Total Charges for Services	236,200	236,200	274,029

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Fines and Forfeitures			
Drug Seizure Forfeitures	\$ 10,000	10,000	-
Circuit Court Fines	7,000	7,000	5,034
Local Fines	110,000	110,000	66,110
Total Fines and Forfeitures	127,000	127,000	71,144
Interest	500	500	6,301
Miscellaneous			
Sale of Vehicle	5,000	5,000	6,000
Sale of Property	5,000	5,000	-
Miscellaneous Income	10,000	10,000	13,996
Crossing Guard Reimbursement	17,000	17,000	16,028
Total Miscellaneous	37,000	37,000	36,024
Total Revenues	3,959,447	3,959,447	3,740,276

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government			
President and Board of Trustees	\$ 476,115	506,115	459,196
Village Clerk	94,452	94,452	84,214
Finance Department	40,133	40,333	40,290
Legal Department	53,205	53,205	41,129
Planning Commission	2,550	2,550	2,062
Building Commission	73,743	73,743	49,244
Total General Government	740,198	770,398	676,135
Public Safety			
Police and Fire Commission	2,185	2,185	375
Police Department	1,647,843	1,647,843	1,505,125
Fire Department	721,302	721,302	690,004
Total Public Safety	2,371,330	2,371,330	2,195,504
Public Works			
Street and Alley Department	632,019	632,019	556,531
Culture and Recreation			
Recreation Department	192,540	192,540	175,592
Contingency	40,000	9,800	-
Total Culture and Recreation	232,540	202,340	175,592
Total Expenditures	3,976,087	3,976,087	3,603,762

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government			
President and Board of Trustees			
Salaries	\$ 105,812	105,812	103,708
Salaries - Part-Time	-	-	86
Salaries - Liquor Commissioner	600	600	600
Salaries - Board	27,900	27,900	27,900
FICA/Medicare	10,275	10,275	10,675
Unemployment	5	5	-
IMRF	16,848	16,848	9,899
Health Insurance	24,091	24,091	14,223
Vehicle Maintenance	500	-	-
Motor Fuel	600	480	-
Telephone	34,940	34,940	30,947
Newsletter	7,200	7,200	7,206
Engineering	8,000	8,000	5,473
Ordinance Updates	3,000	3,000	-
Board Expenditure Reimbursements	8,700	8,700	7,500
Convention/Training	3,924	3,924	3,821
Memberships	6,635	6,635	6,529
Miscellaneous	4,000	4,000	4,175
Computer Support	36,980	66,980	64,107
Special Events	9,100	9,720	9,573
General Insurance	147,000	147,000	140,089
Legal Settlements	5	5	-
Real Estate Taxes Paid	20,000	20,000	12,685
Total President and Board of Trustees	476,115	506,115	459,196
Village Clerk			
Salaries	45,500	45,500	45,500
Salaries - Part-Time	4,826	4,826	5,557
FICA/Medicare	3,850	3,850	3,318
IMRF	7,793	7,793	3,939
Health Insurance	15,073	15,073	13,101
Contracted Services	2,155	2,155	2,153
Postage	3,000	3,000	3,065

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Clerk - Continued			
Memberships	\$ 150	150	334
Training	800	800	50
Miscellaneous	600	600	592
Office Supplies	8,000	8,000	5,739
Vehicle Stickers	2,700	2,700	866
Equipment Purchases	5	5	-
Total Village Clerk	94,452	94,452	84,214
Finance Department			
Salaries - Part-Time	19,167	19,167	19,167
FICA/Medicare	1,466	1,466	1,466
Audit	19,500	19,700	19,657
Total Finance Department	40,133	40,333	40,290
Legal Department			
Notices	1,200	1,200	622
Legal Fees - Labor	10,000	10,000	9,685
Legal Fees - Litigation	5	5	-
Legal Fees - General	42,000	42,000	30,822
Total Legal Department	53,205	53,205	41,129
Planning Commission			
Professional Services	1,150	1,150	1,100
Stenographic	300	300	300
Training	200	200	30
Special Events	900	900	632
Total Planning Commission	2,550	2,550	2,062
Building Commission			
Salaries	34,393	34,393	34,481
FICA/Medicare	2,631	2,631	2,613

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
General Government - Continued			
Building Commission - Continued			
IMRF	\$ 9,719	9,719	2,642
Code Enforcement	15,000	15,000	3,899
Electrical Inspections	2,800	2,800	1,260
Plumbing Inspections	4,500	4,500	1,565
Health Inspections	800	800	390
Memberships	400	400	490
Training	2,500	2,500	1,280
Supplies - Operating	1,000	1,000	624
Total Building Commission	73,743	73,743	49,244
Total General Government	740,198	770,398	676,135
Public Safety			
Police and Fire Commission			
Notices	5	5	-
Professional Services	5	5	-
Dues - Fees	375	375	375
Training	800	800	-
Testing	1,000	1,000	-
Total Police and Fire Commission	2,185	2,185	375
Police Department			
Salaries	767,320	767,320	752,474
Salaries - Overtime	70,000	70,000	96,838
Salaries - Part-Time	65,000	65,000	77,899
Crossing Guards	36,612	36,612	35,083
Tuition Reimbursement	3,000	3,000	2,991
FICA/Medicare	71,829	71,829	70,980
IMRF	132,634	122,634	76,469
Health Insurance	202,196	202,196	147,300
Maintenance - Vehicles	15,000	25,000	33,304
Maintenance - Equipment	6,000	6,000	2,953

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

		Budget		Actual
		Original	Final	
Public Safety - Continued				
Police Department - Continued				
Contractual Services	\$ 184,052	183,052	129,811	
Motor Fuel	19,000	19,000	15,214	
Postage	3,000	3,000	1,036	
Printing	1,000	1,000	695	
Memberships	4,000	4,000	4,215	
Training	8,300	9,300	7,830	
Miscellaneous	2,000	2,000	847	
Testing	2,500	6,500	4,119	
Publications	200	200	-	
Drug Seizure Expenditures	10,000	10,000	835	
Canine Supplies	15,000	11,000	13,616	
Uniforms	13,100	13,100	17,333	
Supplies - Operating	3,100	3,100	1,143	
Equipment	7,000	7,000	6,610	
LEADS/NCIC	6,000	6,000	5,530	
Total Police Department	1,647,843	1,647,843	1,505,125	
Fire Department				
Salaries	76,595	76,595	76,688	
Salaries - Part-Time	399,045	399,045	415,371	
FICA/Medicare	36,386	36,386	37,376	
Unemployment	5	5	-	
IMRF	11,861	11,861	13,229	
Health Insurance	10,907	10,907	8,158	
Maintenance - Vehicles	28,800	28,800	20,927	
Maintenance - Equipment	11,400	11,400	9,372	
Contractual Services	50,740	50,740	49,162	
Motor Fuel	13,000	13,000	9,271	
Memberships	7,285	7,285	6,813	
Dues - Fees	1,000	1,000	102	
Training	24,400	24,400	15,186	
Miscellaneous	1,000	1,000	1,086	
Uniforms	9,500	9,500	9,362	
Supplies - Operating	14,750	14,750	6,636	
Foreign Fire Tax	5,000	5,000	-	

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Equipment - Department	14,500	14,500	11,265
Grant - Match	5,128	5,128	-
	<u>721,302</u>	<u>721,302</u>	<u>690,004</u>
Total Fire Department			
Total Public Safety	<u>2,371,330</u>	<u>2,371,330</u>	<u>2,195,504</u>
Public Works			
Street and Alley Department			
Salaries	108,851	97,413	82,220
Salaries - Overtime	13,500	13,500	9,275
Salaries - Part-Time	10,500	20,500	19,736
FICA/Medicare	10,163	10,163	8,066
Unemployment	5	1,443	1,444
IMRF	18,945	18,945	7,792
Health Insurance	27,275	27,275	23,530
Maintenance - Building	23,000	23,000	18,125
Maintenance - Vehicles	16,000	16,000	7,302
Maintenance - Grounds	31,500	31,500	12,515
Maintenance - Equipment	8,500	8,500	7,189
Contractual Services	15,000	15,000	12,296
Motor Fuel	12,000	12,000	7,680
Garbage Disposal	256,880	256,880	254,326
Electricity	5,500	5,500	5,221
Heat	10,000	10,000	13,246
Street Light Electricity	38,000	38,000	41,583
Training	1,400	1,200	69
Supplies - Office	-	-	575
Uniforms	2,000	2,000	1,285
Supplies - Operating	18,000	18,000	17,303
Equipment Purchases	5,000	5,200	5,753
Total Public Works	<u>632,019</u>	<u>632,019</u>	<u>556,531</u>

VILLAGE OF THORNTON, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Culture and Recreation			
Recreation Department			
Salaries	\$ 45,500	45,500	45,600
Salaries - Part-Time	70,588	70,588	67,338
FICA/Medicare	8,881	8,881	8,638
IMRF	10,375	10,375	6,724
Health Insurance	146	146	142
Vehicle Maintenance	1,000	1,000	995
Maintenance - Equipment	4,800	4,800	4,304
Contractual Services	6,100	6,100	4,665
Special Programs	2,900	2,900	2,441
Motor Fuel	1,200	1,200	640
Postage	300	300	300
Printing	5,500	5,500	4,253
Training	600	600	583
Uniforms	1,200	1,200	817
Supplies - Operating	4,750	4,750	4,509
Special Events	16,700	16,700	14,283
Equipment Purchases	12,000	12,000	9,360
Total Recreation Department	<u>192,540</u>	<u>192,540</u>	<u>175,592</u>
Contingency	40,000	9,800	-
Total Culture and Recreation	<u>232,540</u>	<u>202,340</u>	<u>175,592</u>
Total Expenditures	<u>3,976,087</u>	<u>3,976,087</u>	<u>3,603,762</u>

VILLAGE OF THORNTON, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 335,036	335,036	323,923
Interest	100	100	-
Total Revenues	335,136	335,136	323,923
Expenditures			
General Government			
Professional Fees	2,500	1,420	803
Debt Service			
Principal Retirement	140,000	145,000	200,000
Interest and Fiscal Charges	169,144	165,224	128,950
Total Expenditures	311,644	311,644	329,753
Net Change in Fund Balance	23,492	23,492	(5,830)
Fund Balance - Beginning			176,394
Fund Balance - Ending			170,564

VILLAGE OF THORNTON, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 200	200	1,357
Expenditures			
Capital Outlay	497,825	497,825	352,946
Debt Service			
Principal Retirement	-	-	32,016
Interest and Fiscal Charges	-	-	1,932
Total Expenditures	497,825	497,825	386,894
Excess (Deficiency) of Revenues Over (Under) Expenditures	(497,625)	(497,625)	(385,537)
Other Financing Sources (Uses)			
Transfers In	-	-	550,000
Transfers Out	(50,000)	(50,000)	(9,578)
	(50,000)	(50,000)	540,422
Net Change in Fund Balance	(547,625)	(547,625)	154,885
Fund Balance - Beginning			394,885
Fund Balance - Ending			549,770

VILLAGE OF THORNTON, ILLINOIS

Downtown Tax Increment Financing - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 190,000	190,000	117,454
Interest Income	150	150	1,130
Total Revenues	190,150	190,150	118,584
Expenditures			
General Government			
Professional Services	35,000	45,000	19,436
Miscellaneous	100,000	100,000	69,850
Developer Reimbursement	180,000	170,000	53,633
Capital Outlay			
Total Expenditures	315,000	315,000	142,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,850)	(124,850)	(24,335)
Other Financing (Uses) Transfers Out	(150,000)	(150,000)	(21,559)
Net Change in Fund Balance	<u>(274,850)</u>	<u>(274,850)</u>	(45,894)
Fund Balance - Beginning			<u>278,902</u>
Fund Balance - Ending			<u>233,008</u>

See Following Page

VILLAGE OF THORNTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
April 30, 2017

VILLAGE OF THORNTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2017

	Special		Capital Projects				Totals
	Motor Fuel Tax	Grants	DEA	Industrial TIF	Blackstone TIF	Vehicle Replacement	
ASSETS							
Cash and Investments	\$ 74,293	1,934	20,902	251,228	-	5,800	354,157
Receivables - Net of Allowances	-	-	-	-	-	-	4,222
Accounts Due from Other Governments	5,119	-	-	-	-	-	5,119
Total Assets	79,412	1,934	20,902	251,228	-	5,800	363,498
LIABILITIES							
Accounts Payable	505	-	-	3,795	922	-	5,222
FUND BALANCES							
Restricted	78,907	1,934	20,902	247,433	-	-	353,398
Assigned	-	-	-	-	-	5,800	5,800
Unassigned	-	-	-	-	(922)	-	(922)
Total Fund Balances	78,907	1,934	20,902	247,433	(922)	5,800	358,276
Total Liabilities and Fund Balances	79,412	1,934	20,902	251,228	-	5,800	363,498

VILLAGE OF THORNTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2017

	Motor Fuel Tax	Special	Grants
Revenues			
Taxes	-	-	-
Intergovernmental	59,260	1,100	-
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Interest	282	6	-
Total Revenues	59,542	1,106	-
Expenditures			
General Government	-	-	-
Public Safety	-	200	-
Public Works	44,185	-	-
Capital Outlay	-	-	-
Total Expenditures	44,185	200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,357	906	-
Other Financing Sources	-	-	-
Transfers In	-	-	-
Net Change in Fund Balances	15,357	906	-
Fund Balances - Beginning	63,550	1,028	-
Fund Balances - Ending	78,907	1,934	-

Revenue	DEA	Industrial TIF	Capital Projects Blackstone TIF	Vehicle Replacement	Totals
911 Emergency Service	-	-	-	-	-
-	-	(3,795)	-	-	(3,795)
24,134	-	-	-	-	60,360
-	20,902	-	-	-	24,134
-	-	961	-	169	21,071
24,134	20,902	(2,834)	-	21	1,270
-	-	-	-	190	103,040
28,066	-	-	15,886	-	15,886
-	-	-	-	-	28,266
-	-	-	-	-	44,185
28,066	-	-	6,595	-	6,595
-	-	-	22,481	-	94,932
(3,932)	20,902	(2,834)	(22,481)	190	8,108
(3,932)	20,902	(2,834)	(922)	190	29,667
8,154	-	250,267	-	5,610	328,609
4,222	20,902	247,433	(922)	5,800	358,276

VILLAGE OF THORNTON, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Allotment	\$ 60,554	60,554	59,260
Interest	50	50	282
Total Revenues	60,604	60,604	59,542
Expenditures			
Public Works			
Services			
Street Repair and Maintenance	54,000	54,000	39,833
Engineering	1,000	1,000	-
Commodities			
Salt	40,000	40,000	4,352
Total Expenditures	95,000	95,000	44,185
Net Change in Fund Balance	(34,396)	(34,396)	15,357
Fund Balance - Beginning			63,550
Fund Balance - Ending			78,907

VILLAGE OF THORNTON, ILLINOIS

Grants - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 209,405	209,405	1,100
Interest	5	5	6
Total Revenues	209,410	209,410	1,106
Expenditures			
General Government			
Culture and Recreation	63,000	63,000	-
Public Safety			
Fire	76,214	76,214	-
Police	70,196	70,196	200
Total Expenditures	209,410	209,410	200
Net Change in Fund Balance	-	-	906
Fund Balance - Beginning			1,028
Fund Balance - Ending			1,934

VILLAGE OF THORNTON, ILLINOIS

911 Emergency Service - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$ 10,000	10,000	24,134
Expenditures			
Public Safety Services	30,000	30,000	28,066
Contract	(20,000)	(20,000)	(3,932)
Net Change in Fund Balance			8,154
Fund Balance - Beginning			4,222
Fund Balance - Ending			

VILLAGE OF THORNTON, ILLINOIS

Blackstone Tax Increment Financing - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ -	-	-
Property Taxes			
Expenditures			
General Government	72,000	96,000	15,886
Professional Services	70,000	46,000	6,595
Capital Outlay			
Total Expenditures	142,000	142,000	22,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,000)	(142,000)	(22,481)
Other Financing Sources			
Transfers In	150,000	150,000	21,559
Net Change in Fund Balance	8,000	8,000	(922)
Fund Balance - Beginning			-
Fund Balance - Ending			(922)

VILLAGE OF THORNTON, ILLINOIS

Vehicle Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures	\$ 500	500	169
Interest	10	10	21
Total Revenues	510	510	190
Expenditures			
Capital Outlay	5,500	5,500	-
Vehicles			
Net Change in Fund Balance	(4,990)	(4,990)	190
Fund Balance - Beginning			5,610
Fund Balance - Ending			5,800

VILLAGE OF THORNTON, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 617,500	617,500	640,757
Operating Expenses			
Operations	727,277	727,277	618,966
Depreciation	5	5	69,766
Total Operating Expenses	727,282	727,282	688,732
Operating Income (Loss)	(109,782)	(109,782)	(47,975)
Nonoperating Revenues (Expenses)			
Interest Income	50	50	449
Interest Expense	(5)	(5)	(310)
	45	45	139
Income (Loss) Before Transfers	(109,737)	(109,737)	(47,836)
Transfers In	50,000	50,000	9,578
Change in Net Position	(59,737)	(59,737)	(38,258)
Net Position - Beginning			526,875
Net Position - Ending			488,617

VILLAGE OF THORNTON, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2017

	Budget		Actual
	Original	Final	
Operations			
Personnel Services			
Salaries	\$ 106,231	106,231	83,616
Salaries - Overtime	10,200	10,200	5,687
Salaries - Part-Time	14,479	14,479	17,743
FICA/Medicare	10,015	10,015	7,586
IMRF Retirement	20,196	18,196	10,347
Employee Insurance	24,924	24,924	18,592
	186,045	184,045	143,571
Contractual Services			
Maintenance - Sewers	33,500	33,500	5,206
Maintenance - Equipment	5,000	5,000	1,973
Maintenance - Ground Reservoir and Tower	7,000	7,000	-
Maintenance - Water Tests	2,000	2,000	1,344
Maintenance - Water System	24,000	24,000	22,450
Maintenance - Meters	6,400	6,400	4,646
Electricity - Pumps	13,500	13,500	11,147
Audit	2,000	2,000	2,000
Professional Services	18,840	20,840	23,472
General Insurance	20,000	20,000	15,338
	132,240	134,240	87,576
Commodities			
Water Purchases	300,000	300,000	366,761
Postage	3,300	3,300	3,124
Convention	1,250	1,250	40
Dues and Fees	250	250	135
Miscellaneous	1,000	1,000	686
Supplies - Operating	11,000	11,000	6,869
Equipment Purchases	92,192	92,192	10,204
	408,992	408,992	387,819
Total Operations	727,277	727,277	618,966
Depreciation	5	5	69,766
Total Operating Expenses	727,282	727,282	688,732

SUPPLEMENTAL SCHEDULES

VILLAGE OF THORNTON, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2008
April 30, 2017

Date of Issue	August 8, 2008
Date of Maturity	December 15, 2029
Authorized Issue	\$ 1,855,000
Denomination of Bonds	\$5,000
Interest Rates	5.30% - 5.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 75,000	78,415	153,415
2019	80,000	74,215	154,215
2020	85,000	69,735	154,735
2021	90,000	64,975	154,975
2022	95,000	59,800	154,800
2023	100,000	54,338	154,338
2024	105,000	48,587	153,587
2025	110,000	42,550	152,550
2026	115,000	36,225	151,225
2027	120,000	29,613	149,613
2028	125,000	22,712	147,712
2029	130,000	15,525	145,525
2030	140,000	8,050	148,050
	<u>1,370,000</u>	<u>604,740</u>	<u>1,974,740</u>

VILLAGE OF THORNTON, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2014
April 30, 2017

Date of Issue	April 1, 2014
Date of Maturity	December 15, 2024
Authorized Issue	\$1,400,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 4.10%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Mellon Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 130,000	42,585	172,585
2019	135,000	38,685	173,685
2020	140,000	34,635	174,635
2021	145,000	30,435	175,435
2022	155,000	25,360	180,360
2023	160,000	19,935	179,935
2024	165,000	13,775	178,775
2025	175,000	7,175	182,175
	<u>1,205,000</u>	<u>212,585</u>	<u>1,417,585</u>

VILLAGE OF THORNTON, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2017 (Unaudited)

**STATISTICAL SECTION
(Unaudited)**

This part of the 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.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

See Following Page

VILLAGE OF THORNTON, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 3,607,983	3,291,422	3,389,465	3,296,116	3,635,539	3,816,124	3,877,238	3,551,805	3,472,463	3,640,478
Restricted	83,082	-	-	1,952,878	1,432,974	1,153,755	744,031	715,278	450,184	711,594
Unrestricted	2,644,254	2,600,385	2,335,018	619,498	843,253	910,543	1,082,982	1,596,442	2,188,686	1,609,073
Total Governmental Activities Net Position	6,335,319	5,891,807	5,724,483	5,868,492	5,911,766	5,880,422	5,704,251	5,863,525	6,111,333	5,961,145
Business-Type Activities										
Net Investment in Capital Assets	440,820	428,229	646,283	542,731	514,326	499,032	527,887	600,172	547,408	531,218
Unrestricted	276,122	285,073	169,453	210,491	232,027	196,061	69,342	(18,681)	(20,533)	(42,601)
Total Business-Type Activities Net Position	716,942	713,302	815,736	753,222	746,353	695,093	597,229	581,491	526,875	488,617
Primary Government										
Net Investment in Capital Assets	4,048,803	3,719,651	4,035,748	3,838,847	4,149,865	4,315,156	4,405,125	4,151,977	4,019,871	4,171,696
Restricted	83,082	-	-	1,952,878	1,432,974	1,153,755	744,031	715,278	450,184	711,594
Unrestricted	2,920,376	2,885,458	2,504,471	829,989	1,075,280	1,106,604	1,152,324	1,577,761	2,168,153	1,566,472
Total Primary Government Net Position	7,052,261	6,605,109	6,540,219	6,621,714	6,658,119	6,575,515	6,301,480	6,445,016	6,638,208	6,449,762

* Accrual Basis of Accounting

Data Source: Village Records

VILLAGE OF THORNTON, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government	\$ 1,128,373	960,793	1,734,916	1,466,753	1,491,473	1,471,284	1,574,910	1,315,073	1,514,178	1,059,992
Public Safety	1,766,461	1,840,000	1,760,265	1,719,608	1,755,685	1,782,360	1,769,987	1,920,739	2,334,403	2,381,254
Public Works	731,526	1,245,835	840,866	659,614	622,686	679,265	678,925	671,935	673,390	681,146
Capital Construction	178,212	1,149,189	1,043,737	1,043,737	1,043,737	1,043,737	1,043,737	1,043,737	1,043,737	1,043,737
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	3,804,642	4,286,074	4,594,186	4,148,661	4,157,566	4,259,725	4,322,470	4,182,553	4,364,467	4,427,790
Business-Type Activities										
Water and Sewer	426,338	437,719	502,435	518,729	488,471	517,443	712,329	700,264	761,083	689,042
Total Primary Government Expenses	4,231,030	4,724,693	5,096,621	4,667,390	4,646,037	4,777,168	5,035,799	4,882,817	5,125,550	5,116,832
Program Revenues										
Governmental Activities										
General Government	\$ 862,493	586,791	572,800	135,695	139,986	150,710	184,866	295,347	214,562	187,181
Public Safety	88,110	66,629	187,485	210,636	216,254	200,263	241,858	191,688	191,688	222,203
Public Works	106,022	-	-	-	-	-	-	-	-	-
Culture and Recreation	50,304	56,329	68,722	58,485	47,368	61,208	52,393	44,893	43,365	48,865
Other Governmental Activities	-	3,750	4,228	4,228	4,228	4,228	4,228	4,228	4,228	4,228
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	718,819	734,980	712,729	543,816	488,619	498,203	529,565	871,875	509,798	518,909
Business-Type Activities										
Changes for Services	451,199	431,830	604,640	455,984	481,522	466,045	566,250	572,106	620,856	640,757
Water and Sewer	-	-	-	-	-	-	-	-	-	-
Total Primary Government Program Revenues	1,170,018	1,166,810	1,317,369	999,800	970,141	964,248	1,095,815	1,443,981	1,129,854	1,159,666
Net (Expense) Revenue										
Governmental Activities	(3,085,823)	(3,551,094)	(3,861,457)	(3,604,845)	(3,668,947)	(3,761,522)	(3,793,995)	(3,310,679)	(3,854,669)	(3,908,881)
Business-Type Activities	24,811	(5,889)	(102,205)	(62,745)	(66,949)	(51,398)	(146,079)	(128,158)	(141,020)	(68,285)
Total Primary Government Net (Expense) Revenue	(3,061,012)	(3,557,883)	(3,779,852)	(3,667,590)	(3,675,896)	(3,812,920)	(3,939,984)	(3,438,830)	(3,995,689)	(4,977,166)

General Revenues and Other Changes in Net Position
Governmental Activities

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Taxes										
Property	\$ 1,911,685	1,926,414	2,538,723	2,704,636	2,516,397	2,516,665	2,365,979	2,118,910	2,517,212	2,344,774
Other	295,467	318,556	269,139	275,517	281,045	290,752	354,200	390,820	369,787	366,652
Utility	-	-	100,824	371,213	470,000	470,000	479,437	490,498	514,520	502,346
Income										
Intergovernmental - Unrestricted	281,383	265,044	120,332	146,897	163,260	153,493	148,772	262,940	232,387	236,479
State Sales and Use Taxes	251,237	219,414	212,747	162,187	195,732	210,702	227,829	238,971	249,167	220,999
Income Taxes	54,196	47,897	39,449	48,665	43,992	45,428	48,234	49,814	45,857	50,939
Replacement Taxes	157,157	71,290	-	2,751	4,747	-	-	-	-	-
Other	91,751	25,933	1,156	1,429	1,386	1,514	1,514	200	271	10,658
Interest	56,949	23,737	431,785	332,259	386,692	41,654	41,387	40,200	40,200	30,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	3,099,825	3,108,485	3,714,133	3,748,854	3,712,221	3,730,178	3,617,734	3,469,952	3,910,526	3,738,693
Total Governmental Activities	8,962	1,985	109	197	80	138	17	11	60	449
Business-Type Activities	6,346	2,64	120	34	-	-	48,198	112,409	73,037	9,578
Miscellaneous	15,308	2,249	229	231	-	-	80	138	112,420	73,037
Transfers	3,115,133	3,110,234	3,714,362	3,749,085	3,712,301	3,730,316	3,665,949	3,582,372	3,993,623	3,786,220
Total Business-Type Activities	14,002	(443,509)	(167,324)	144,009	43,274	(31,344)	(176,171)	159,274	55,857	(150,188)
Changes in Net Position	40,119	(3,640)	102,434	(62,514)	(6,809)	(51,250)	(97,864)	(15,738)	(67,929)	(38,258)
Business-Type Activities	54,121	(447,149)	(64,890)	81,495	36,495	(83,604)	(724,033)	143,536	(12,072)	(188,446)
Total Primary Government										

* Accrual Basis of Accounting
Data Source: Village Records

VILLAGE OF THORNTON, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 83,082	86,437	73,740	78,479	-	-	-	-	-	-
Unreserved	587,487	609,155	622,782	723,626	-	-	-	-	-	-
Nonspendable	-	-	-	-	85,333	95,546	91,142	102,288	93,333	94,236
Unassigned	-	-	-	-	920,177	1,030,393	1,262,089	1,631,837	1,897,104	1,482,715
Total General Fund	670,569	695,592	696,522	802,105	1,005,510	1,125,939	1,353,231	1,734,125	1,990,437	1,576,951
All Other Governmental Funds										
Unreserved, Reported in,										
Special Revenue Funds	56,409	98,705	122,488	143,097	-	-	-	-	-	-
Debt Service Funds	-	-	87,608	93,864	-	-	-	-	-	-
Capital Projects Funds	2,085,463	1,899,804	21,581	1,715,917	-	-	-	-	-	-
Restricted	-	-	-	-	1,469,452	1,192,053	789,476	801,770	778,295	756,970
Assigned	-	-	-	-	7,929	2,526	1,383,833	191,183	400,495	555,570
Unassigned	-	-	-	-	-	(267)	(1,514)	-	-	(922)
Total All Other Governmental Funds	2,141,872	1,998,509	231,677	1,952,878	1,477,381	1,194,312	2,171,795	992,953	1,178,790	1,311,618
Total Governmental Funds	2,812,441	2,694,101	928,199	2,754,983	2,482,891	2,320,251	3,525,026	2,727,078	3,169,227	2,888,569

* Modified Accrual Basis of Accounting

Data Source: Village Records

The Village implemented GASB No. 54 for the fiscal year ended April 30, 2012.

VILLAGE OF THORNTON, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 2,550,466	2,604,521	3,179,261	3,351,366	3,267,442	3,277,417	3,199,616	3,000,228	3,401,819	3,213,772
Licenses, Permits and Fees	66,286	58,558	57,143	53,966	56,327	61,082	60,185	146,456	80,573	68,171
Intergovernmental	743,973	603,645	430,814	565,189	495,360	479,654	516,878	831,502	587,594	568,777
Charges for Services	72,713	241,371	253,603	246,149	217,925	252,492	255,268	263,372	270,792	298,163
Fines and Forfeitures	120,118	120,708	80,955	81,550	123,738	114,598	122,069	172,270	98,250	92,215
Interest	91,751	25,933	1,136	1,429	1,386	1,514	287	260	2,217	10,058
Miscellaneous	173,337	188,729	381,412	35,559	38,662	41,624	41,194	40,148	52,116	36,024
Total Revenues	3,818,644	3,843,465	4,384,324	4,335,208	4,200,840	4,228,381	4,195,497	4,454,236	4,493,361	4,287,180
Expenditures										
Current										
General Government	1,048,065	1,585,711	1,611,565	1,414,786	1,444,429	1,408,393	1,409,181	1,091,376	998,900	782,110
Public Safety	1,640,739	1,696,211	1,566,366	1,606,287	1,698,006	1,694,114	1,609,130	1,608,247	2,172,767	2,223,770
Public Works	942,085	552,692	485,882	543,485	525,566	616,412	640,939	781,935	620,249	600,716
Culture and Recreation	165,593	153,433	137,086	148,770	139,799	140,173	148,737	141,693	155,069	175,592
Capital Outlay	258,460	1,778,627	722,476	109,444	497,470	425,685	344,653	1,376,916	201,150	413,174
Debt Service	-	-	25,000	66,278	65,140	101,729	91,524	127,282	170,199	232,016
Principal Retirement	-	-	139,947	104,063	102,522	98,280	98,360	94,944	172,894	130,882
Interest and Fiscal Charges	-	50,131	139,947	104,063	102,522	98,280	98,360	94,944	172,894	130,882
Total Expenditures	4,054,942	5,816,805	4,688,322	3,993,113	4,472,932	4,484,786	4,342,524	5,222,393	4,491,228	4,558,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	(236,298)	(1,973,340)	(303,998)	342,095	(272,092)	(256,405)	(147,027)	(768,157)	2,133	(271,080)
Other Financing Sources (Uses)										
Debt Issuance	-	1,855,000	-	22,785	-	93,765	1,400,000	82,618	-	-
Disposal of Capital Assets	-	-	-	-	-	-	-	-	513,053	571,559
Transfers Out	-	-	-	-	-	-	(48,198)	(112,409)	(73,037)	(581,137)
	-	1,855,000	-	22,785	-	93,765	1,351,802	(29,791)	440,016	(9,578)
Net Change in Fund Balances	(236,298)	(118,340)	(303,998)	364,880	(272,092)	(162,640)	1,204,775	(797,948)	442,149	(280,658)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.86%	3.87%	4.43%	4.41%	5.09%	4.77%	5.93%	7.99%	8.65%

* Modified Accrual Basis of Accounting
Data Source: Village Records

VILLAGE OF THORNTON, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Farm/Railroad Property	Totals	Total Taxable Assessed Value	Total Direct Tax Rate
2008	2007	\$ 32,643,152	\$ 3,035,715	\$ 46,662,062	\$ 370,822	\$ 82,711,751	\$ 248,135,253	1.6748
2009	2008	31,680,186	3,368,664	52,585,720	412,622	88,047,192	264,141,576	1.8485
2010	2009	32,124,646	3,302,559	41,120,703	443,956	76,991,864	230,975,592	2.3541
2011	2010	32,117,878	2,937,251	34,784,167	539,895	70,379,191	211,137,573	2.7017
2012	2011	24,498,782	3,132,858	27,409,004	589,232	55,629,876	166,889,628	3.4873
2013	2012	21,974,924	2,471,602	26,411,052	580,889	51,438,467	147,279,135	3.7715
2014	2013	22,734,873	2,390,838	23,327,543	639,791	49,093,045	131,100,777	3.9517
2015	2014	18,211,992	3,238,100	21,590,491	659,676	43,700,259	131,100,777	5.0831
2016	2015	18,414,869	3,274,172	21,831,004	667,025	44,187,070	132,561,210	5.4194
2017	2016	17,345,190	7,360,629	23,039,330	791,823	48,536,972	145,610,916	5.4620

Data Source: Office of the County Clerk

*Property is assessed at 33.3% of actual value.

VILLAGE OF THORNTON, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Levy Years
April 30, 2017 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village Direct Rates										
General	0.3637	0.3545	0.4054	0.4586	0.5639	0.6062	0.6323	0.7011	0.8672	0.8751
Bonds and Interest	-	0.1967	0.2232	0.2394	0.2969	0.3248	0.3432	0.7428	0.7817	0.7818
Garbage	0.2017	0.1883	0.2154	0.2986	0.4176	0.4517	0.4732	0.6141	0.7787	0.7858
Fire Protection	0.2615	0.2597	0.3157	0.3659	0.4629	0.5006	0.5245	0.7071	0.6993	0.7057
Police Protection	0.7271	0.7323	1.0311	1.1562	1.4997	1.6219	1.6994	2.0034	1.9813	1.9995
Auditing	0.0212	0.0211	0.0268	0.0293	0.0241	0.0260	0.0273	0.0318	0.0315	0.0318
Liability Insurance	0.0996	0.0959	0.1365	0.1537	0.2222	0.2403	0.2518	0.2828	0.2797	0.2823
Total Direct Rates	1.6748	1.8485	2.3541	2.7017	3.4873	3.7715	3.9517	5.0831	5.4194	5.4620
Overlapping Rates										
Cook County	0.4460	0.4150	0.3940	0.4230	0.4620	0.5310	0.5910	0.5680	0.5520	0.5330
Forest Preserve District of Cook County	0.0530	0.0510	0.0490	0.0510	0.0580	0.0630	0.0690	0.0690	0.0690	0.0630
Consolidated Elections	-	-	-	-	-	-	-	-	0.0340	-
Thornton Township*	0.4920	0.4630	0.4960	0.5010	0.6190	0.6930	0.7610	0.8440	0.8770	0.8830
Metro Water Reclam. District of Greater Chicago	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060
South Cook County Mosquito Abatement District	0.0060	0.0090	0.0090	0.0100	0.0120	0.0140	0.0160	0.0170	0.0170	0.0170
Village of Thornton Library Fund	0.1324	0.1228	0.1405	0.1690	0.2160	0.2340	0.2450	0.2750	0.2950	0.3120
School District Number 154	2.3020	2.1450	2.4980	2.8110	3.6090	4.0070	4.2790	4.6300	4.6580	4.9660
High School District Number 205	3.7410	3.6080	3.6970	3.8710	4.9030	5.4250	5.9080	6.2090	6.6770	6.6770
Community College District Number 510	0.3620	0.3460	0.3480	0.3610	0.4500	0.5110	0.5590	0.5990	0.6210	0.6210
Total Direct and Overlapping Rates	9.4722	9.2603	10.2466	11.1727	14.1363	15.6195	16.7967	18.7241	19.6454	19.9400

Data Source: Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value

VILLAGE OF THORNTON, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2017 (Unaudited)

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Hanson Aggregate	\$ 4,873,083	1	3.68%	\$ N/A	N/A	N/A
Riverview Investments	1,386,855	2	1.05%	N/A	N/A	N/A
Ventura Foods	488,622	3	0.37%	N/A	N/A	N/A
FP International	357,119	4	0.27%	N/A	N/A	N/A
GPL Industries, Inc	243,403	5	0.18%	N/A	N/A	N/A
RMI LLC	220,064	6	0.17%	N/A	N/A	N/A
First Industrial Realty	209,376	7	0.16%	N/A	N/A	N/A
7 Eleven Inc	205,186	8	0.15%	N/A	N/A	N/A
Harcros Chemicals Inc	202,500	9	0.15%	N/A	N/A	N/A
Commercial Land Trust	200,208	10	0.15%	N/A	N/A	N/A
	<u>8,386,416</u>		<u>6.33%</u>	<u>N/A</u>		<u>N/A</u>

Data Source: Office of the County Clerk

N/A - Not Available

VILLAGE OF THORNTON, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy			
2008	2007	\$ 1,494,769	\$ 1,472,785	98.53%	\$ -	\$ 1,472,785	98.53%
2009	2008	1,735,676	1,600,228	92.20%	-	1,600,228	92.20%
2010	2009	1,920,642	1,784,588	92.92%	-	1,784,588	92.92%
2011	2010	1,901,326	955,846	50.27%	926,908	1,882,754	99.02%
2012	2011	1,939,944	999,343	51.51%	883,188	1,882,531	97.04%
2013	2012	1,939,980	985,115	50.78%	954,643	1,939,758	99.99%
2014	2013	1,940,007	972,434	50.13%	841,554	1,813,988	93.50%
2015	2014	2,221,346	949,817	42.76%	1,159,446	2,109,263	94.95%
2016	2015	2,394,644	1,072,751	44.80%	1,115,982	2,188,733	91.40%
2017	2016	2,049,246	1,111,282	54.23%	-	1,111,282	54.23%

Data Source: Office of the County Clerk

The remaining amount on the 2016 levy will be collected in fiscal year 2018.

VILLAGE OF THORNTON, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Contract Certificates	General Obligation Bonds	Contract Certificates			
2008	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2009	1,855,000	-	-	-	1,855,000	3.04%	78.46
2010	1,830,000	-	75,094	-	1,905,094	3.12%	80.57
2011	1,770,000	16,507	51,134	-	1,837,641	2.94%	68.80
2012	1,710,000	11,367	26,121	-	1,747,488	2.80%	65.43
2013	1,650,000	63,403	33,039	-	1,746,442	2.80%	65.39
2014	2,985,000	36,879	44,572	-	3,066,451	5.58%	130.54
2015	2,915,000	62,215	30,613	-	3,007,828	4.55%	106.83
2016	2,775,000	32,016	15,776	-	2,822,792	4.90%	114.93
2017	2,575,000	-	-	-	2,575,000	4.16%	102.43

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Data Source: Village Records

VILLAGE OF THORNTON, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Totals	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2008	\$ -	\$ -	\$ -	0.00%	\$ -
2009	1,855,000	-	1,855,000	0.70%	718.44
2010	1,830,000	87,608	1,742,392	0.75%	674.82
2011	1,770,000	93,864	1,676,136	0.79%	716.91
2012	1,710,000	63,677	1,646,323	0.99%	704.16
2013	1,650,000	64,051	1,585,949	1.08%	678.34
2014	2,985,000	69,892	2,915,108	2.22%	1,246.84
2015	2,915,000	77,828	2,837,172	2.16%	1,208.85
2016	2,775,000	127,185	2,647,815	2.00%	1,128.17
2017	2,575,000	125,188	2,449,812	1.68%	995.45

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF THORNTON, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt
April 30, 2017 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village	\$ 2,575,000	100.000%	\$ 2,575,000
Overlapping Debt (2) Cook County	3,397,806,079	0.040%	1,359,122
Forest Preserve District of Cook County	159,490,000	0.040%	63,796
Metropolitan Water Reclamation District	4,805,887,000	0.040%	1,922,355
Homewood Flossmoor Park District	16,330,427	0.030%	4,899
South Holland School District No. 151	14,916,701	2.560%	381,868
Homewood Flossmoor School District No. 153	13,258,337	0.770%	102,089
Thornton School District No. 154	1,560,000	78.670%	1,227,252
Thornton Twp. High School District No. 205	33,545,000	3.770%	1,264,647
Homewood Flossmoor High School District No. 233	30,480,000	0.330%	100,584
South Suburban Community College District No. 510	18,602,639	1.460%	271,599
Prairie State Community College District No. 515	16,205,419	0.070%	11,344
Total Overlapping Debt	8,508,081,602		6,709,554
Total Direct and Overlapping Debt	8,510,656,602		9,284,554

Data Source: Cook County Tax Extension Department

- (1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.
- (2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

VILLAGE OF THORNTON, ILLINOIS

Legal Debt Margin
April 30, 2017 (Unaudited)

The Village is a home rule municipality.

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

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

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF THORNTON, ILLINOIS

Demographic and Economic Statistics – Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	2,582	\$ 61,048,808	\$ 23,644	3.90%
2009	2,582	61,048,808	23,644	6.50%
2010	2,582	61,048,808	23,644	6.70%
2011	2,338	62,443,304	26,708	6.40%
2012	2,338	62,443,304	26,708	N/A
2013	2,338	62,443,304	26,708	10.60%
2014	2,338	54,919,620	23,490	N/A
2015	2,347	66,079,785	28,155	9.30%
2016	2,347	57,642,320	24,560	8.20%
2017	2,461	61,869,540	25,140	6.40%

Data Source: Illinois Department of Employment Security (IDES)

N/A - Not Available

VILLAGE OF THORNTON, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Gallagher Asphalt Corp	100	1	4.26%	N/A	N/A	N/A
Skyline Furniture	90	2	3.83%	N/A	N/A	N/A
Venture Foods	74	3	3.15%	N/A	N/A	N/A
G.P.L. Industries	50	4	2.13%	N/A	N/A	N/A
Roy Zener Trucking & Excavating	49	5	2.09%	N/A	N/A	N/A
FP International	31	6	1.32%	N/A	N/A	N/A
UPS Ground Freight	30	7	1.28%	N/A	N/A	N/A
Integrated Power Services, LLC	30	8	1.28%	N/A	N/A	N/A
Walsh Construction	23	9	0.98%	N/A	N/A	N/A
Quality Mechanical	20	10	0.85%	N/A	N/A	N/A
	<u>497</u>		<u>21.18%</u>	<u>N/A</u>		<u>N/A</u>

Data Source: Village Records and U.S. Census Bureau.

N/A - Not Available

VILLAGE OF THORNTON, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	4.0	4.5	4.0	4.0	3.5	3.5	3.5	3.0	3.0	2.5	3.0
Public Safety	22.0	25.0	22.0	21.0	20.0	20.0	20.0	19.0	20.0	21.5	20.0
Public Works	3.0	3.0	3.5	1.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5
Culture and Recreation	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.0
Water and Sewer	3.5	3.5	3.5	4.0	3.5	3.0	3.0	3.0	2.5	2.5	2.5
Totals	35.5	39.0	36.0	32.0	31.0	30.5	30.5	29.0	29.5	30.5	29.0

Data Source: Village Records

VILLAGE OF THORNTON, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Business Licenses	84	86	83	89	83	81	81	77	68	76
Liquor Licenses	5	5	5	5	5	5	5	5	5	6
Public Safety										
Police										
Part I Crimes	91	86	79	94	70	16	39	60	46	72
Part II Crimes	116	82	73	74	55	46	57	67	49	37
Physical Arrests	167	173	139	142	98	55	157	133	106	92
Parking Violations	716	778	848	1,140	500	733	1,136	238	149	42
Traffic Violations	1,006	965	619	456	286	550	378	1,531	1,043	719
Public Works										
Parkway Trees Planted	6	8	6	4	3	10	14	6	5	4
Parkway Trees Trimmed	30	29	31	28	30	26	28	15	12	16
Street Resurfacing (Miles)	1	1	1	1	1	1	1	1	1	1
Potholes Repaired	50	47	40	45	47	50	50	50	43	38
Water and Sewer										
Number of Metered Accounts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Hydrants Flushed/Inspected	-	150	-	150	-	153	-	-	-	-
Water Mains Breaks	6	5	6	1	2	8	33	11	3	5
Water Average Daily Consumption (Thousands of Gallons)	300	300	300	300	300	300	300	300	300	300
Average Daily Sewage Treatment (Thousands of Gallons)	100	100	100	100	100	100	100	100	100	100

Data Source: Village Departments

VILLAGE OF THORNTON, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2017 (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	2	2	2	2	2	2	2	2	2	2
Patrol Units	7	7	7	7	7	7	7	7	7	7
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	1
Fire Engines	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (Miles)	15	15	15	15	15	15	15	15	15	15
Streetlights	230	230	230	230	230	230	230	230	230	230
Traffic Signals	4	4	4	4	4	4	4	4	4	4
Water and Sewer										
Water Mains (Miles)	12	12	12	12	12	12	12	12	12	12
Fire Hydrants	143	143	143	143	143	143	143	143	143	143
Sanitary Sewers (Miles)	10	10	10	10	10	10	10	10	10	10
Storm Sewers (Miles)	6	6	6	6	6	6	6	6	6	6
Recreation										
Parks	5	5	5	5	5	6	6	6	6	6
Parks (Total Acres)	2	2	2	2	2	3	3	3	3	3

Data Source: Village Departments