

Village of Mount Prospect, Illinois



*Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010*

**VILLAGE OF MOUNT PROSPECT,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2010

Prepared by:
Finance Department

David O. Erb
Finance Director

Lynn M. Jarog
Deputy Finance Director

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Mount Prospect including:

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Principal Officials

December 31, 2010

LEGISLATIVE

Irvana K. Wilks, Mayor

Paul Wm. Hoefert

John J. Matuszak

Arlene A. Juracek

Steven S. Polit

A. John Korn

Michael A. Zadel

ADMINISTRATIVE

Michael E. Janonis, Village Manager

David Strahl, Assistant Village Manager

David O. Erb, Finance Director/Treasurer

William J. Cooney, Jr., Director of Community Development

Nancy M. Morgan, Director of Human Services

John Malcolm, Fire Chief

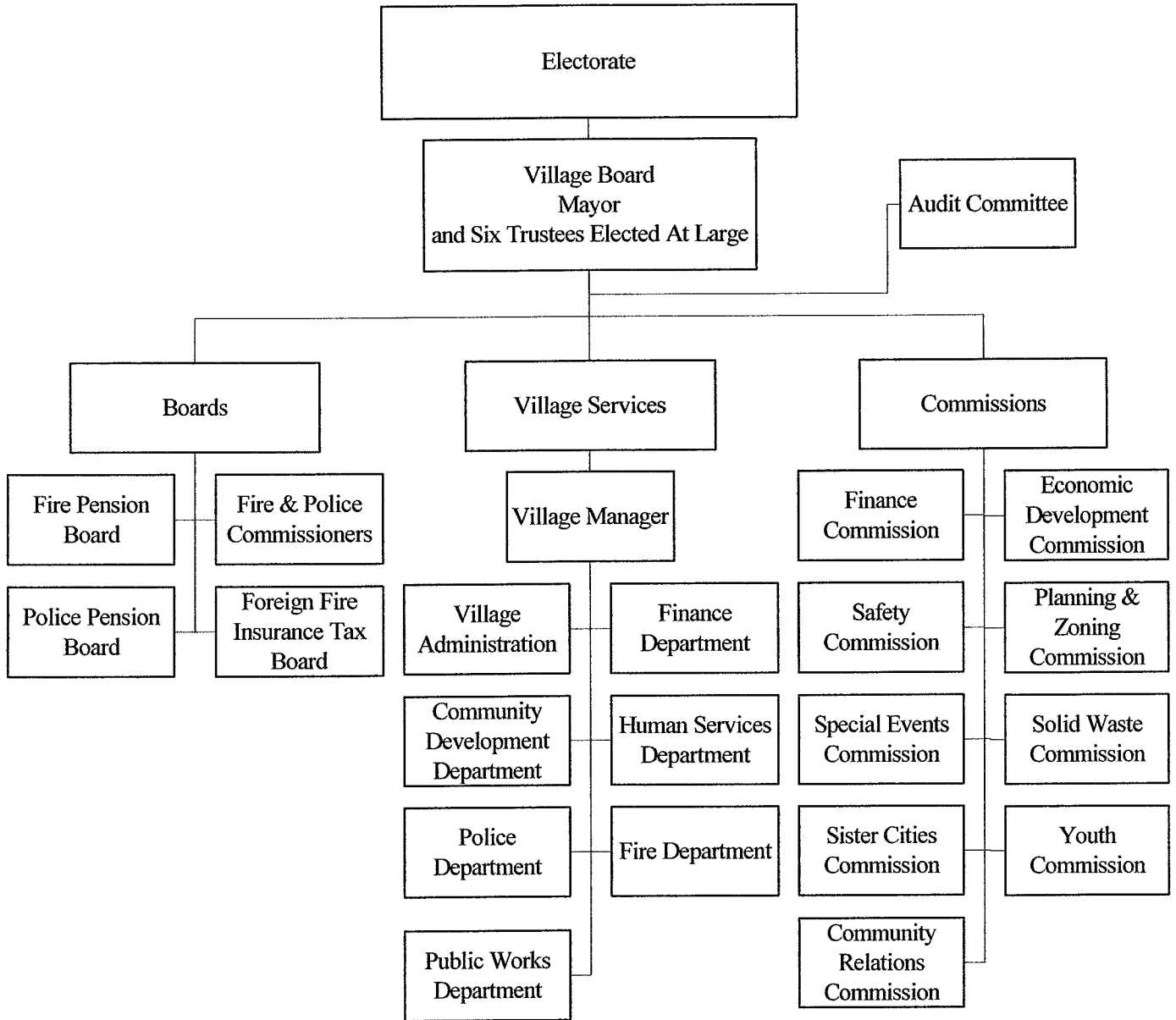
John Dahlberg, Police Chief

Glen R. Andler, Director of Public Works

M. Lisa Angell, Village Clerk

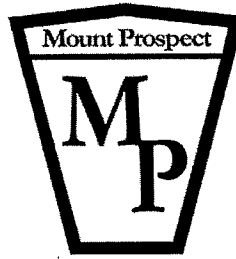
VILLAGE OF MOUNT PROSPECT

Organizational Structure



MAYOR
Irvana K. Wilks

TRUSTEES
Paul Wm. Hoefert
Arlene A. Juracek
A. John Korn
John J. Matuszak
Steven S. Polit
Michael A. Zadel



VILLAGE MANAGER
Michael E. Janonis

VILLAGE CLERK
M. Lisa Angell

Phone: 847/392-6000
Fax: 847/392-6022
www.mountprospect.org

Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 1, 2011

The Honorable Irvana K. Wilks, Village President
Members of the Board of Trustees
Village Manager Michael E. Janonis, and
Citizens of the Village of Mount Prospect, Illinois

The Comprehensive Annual Financial Report of the Village of Mount Prospect, Illinois for the fiscal year ended December 31, 2010 is submitted herewith. The report consists of management's representations concerning the finances of the Village of Mount Prospect. Also included in the report are the finances of the Mount Prospect Public Library, a component unit of the Village. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village.

To provide a reasonable basis for making these representations, management of the Village 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 Mount Prospect's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework on internal controls had been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The Village has implemented GASB Statement No. 34, Basic Financial Statements – and Management Discussion and Analysis - for state and local governments, including infrastructure reporting. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Lauterbach and 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 Mount Prospect for the year ended December 31, 2010, are free from 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 their audit that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended December 31, 2010 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 the 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.

Profile of the Village of Mount Prospect

The Village of Mount Prospect, a home rule community as defined by the Illinois Constitution, was incorporated February 3, 1917 and is located 22 miles northwest from downtown Chicago in Cook County. The Village currently has land area of 10.3 square miles and a population of 56,265.

The Village operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Mayor and six-member Board of Trustees. The Village Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committee members and hiring the Village Manager and Village Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The Mayor is elected to a four-year term. The Mayor and Village Trustees are elected at large. The Village provides a full range of services including police, fire, public works (including water and sewer), human services, finance, community development and television services.

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 Finance Director by mid-August each year. Revenue estimates are completed by the Finance Department in preparation for departmental budget reviews with the Village Manager and Finance Director in early September. Initial budget requests are compiled by the end of September. A proposed budget is prepared and delivered to the Village Board and Finance Commission in early October. The proposed budget is also made available for public inspection in the Village Clerk's Office and at the Mount Prospect Library. A series of meetings are held with the Finance Commission in October along with hearings before the Village Board at two (2) Committee of the Whole meetings in late October and early November. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31st of each year, the close of the Village's previous budget year. The budget is prepared by fund and by department. Budget amendments require approval of the Village Board. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Corporate Fund and major special revenue funds, this comparison is presented in the required supplementary information. For governmental funds, other than the General Corporate Fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report.

Major Initiatives

The Village staff, following directives of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. Also included in this section are any other major activities of note that occurred during the year. The most significant of these projects and activities are discussed below:

- The Village's **Street Improvement Program** was originally approved in 1996 as a 10 year accelerated paving plan. During the first five years, the reconstruction backlog was targeted. The last five years were to place an emphasis on eliminating the resurfacing backlog. The program was extended an additional four years to 2010 due to lack of funding. 2010 was the fourteenth year of the program. During the first five years 16.6 miles of streets in the reconstruction category were completed at an average of 3.3 miles per year and at an average cost of \$689,000 per mile. In addition, during the first thirteen years of the program, 77.6 miles of streets have been resurfaced; an average of 6 miles per year at a cost of \$317,000 per mile. During 2010 a total of \$3.5 million was spent on the road program. Of this amount, \$1.5 million came from the MFT Fund and \$2.0 million came from the Street Improvement Construction Fund. Total funds budgeted in 2011 are \$2,080,000 (\$550,000 from MFT and \$1,530,000 from Street Improvement Construction Fund).

- Completed the final year of a multi-year effort to **standardize neighborhood intersection controls and speed limits**. Tasks included engineering evaluations of the remaining neighborhood zones, sign installations/modifications, and post studies following sign modifications. Through 2009, 301 stop sign modifications (115 added, 186 replaced), 302 speed limit sign improvements (64 added, 238 replaced), and the removal of 115 signs (33 stop signs, 7 yield signs, 75 speed limit signs) had been completed. Total estimated funds expended in 2010 were \$135,000.
- 2009 saw the completion of the sixth year of a multi-year commitment to rehabilitate approximately 260,000 LF of **combined sewer mains** ranging in size from 8” to 72” diameter. As part of this year’s effort, over 9,383 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 273 linear feet of severely failed (Category 4 & 5) sewer pipe was excavated and replaced. In total, during the first five years of this program, 58,630 linear feet of pipe has been lined and 727 linear feet of pipe has been replaced. 100% of all Category 5 defects, 83% of all Category 4 defects, and 10% of all Category 3 defects have been repaired to date. Total Water and Sewer funds expended during 2010 were \$1,073,000.
- Construction of the **Fire Station 14** replacement project was completed in 2010. Two companion projects, expansion of the Public Works Facility to accommodate Fire Vehicle Maintenance and an enhanced Emergency Operations Center (EOC) also were essentially finished. Only punch list items and the installation of an A/V system for the EOC remain for 2011. A combination of bond proceeds and surplus funds were used to fund the projects.
- With the recession all but shutting down economic development opportunities, the continued redevelopment of **Randhurst Shopping Center** from an enclosed mall to a street-based “Lifestyle” center remains a lone bright spot in the Chicagoland area. A state of the art AMC theatre and Hampton Suites anchor the center. A number of national retailers continue to express interests in locating at the site. While the bulk of the center is scheduled to open in Spring/Summer of 2011, several out lot developments have opened during 2009 and 2010. The revitalized Center should inject new revenues into Village coffers.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local economy. The Village has been negatively affected by the slowdown in the housing market and the sluggish growth of the economy in general. There are a number of factors that influence the economy of a specific community, and various measures are used to gauge the economic outlook. Perhaps four of the most objective measures are the level of retail sales, the employment level of the community, income levels in the community and building activity. In Illinois, sales taxes are allocated based upon the point-of-sale, and accordingly represent the sales in the community. Total sales tax receipts in the calendar year ended December 31, 2010 were \$10,388,196 compared to \$9,055,194 for the previous year, an increase of 14.7%. The increase from the prior year is due to a major retailer being open a full 12 months during 2010 where it was closed for remodeling 7 months during 2009. Since the Village’s portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$1.04 billion for 2010. The Village projects that this revenue source will increase just 1.0% during 2011 and 2% in 2012. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will return over the next few years (redevelopment of Randhurst Mall may help in this area).

Mount Prospect's average unemployment rate for 2010 was 7.8%. This was a decrease from the prior year of 10 basis points (7.9% in 2009). The slight improvement in unemployment is indicative of an economy that is still struggling to improve. The decrease in the Village's unemployment rate was below that for the State of Illinois unemployment (180 basis points), but well below the total overall rate (7.8% versus 9.2%) indicating that the impact of the economic downturn is less than the statewide average. Mount Prospect's median family income, \$67,262 as of the 2000 Census, was 25% higher than the norms for Cook County and 21% higher than the median for the State of Illinois. New figures from the 2010 census have not yet been made available for these economic measures.

In a suburban setting where it is often difficult to distinguish the boundaries of one community from a neighboring community, the economic activity of the "region" is a major influence on the economies of the individual communities. The Village of Mount Prospect is located on the eastern edge of the "Golden Corridor" which extends along Interstate 90 from O'Hare Airport to Elgin, a stretch of approximately 25 miles. Along this corridor can be found the corporate headquarters of such corporations as Sears and Motorola. The corridor is also home to regional headquarters for such corporations as AT&T and Siemens. The Corridor will continue to grow, as thousands of acres remain available for development on its far western edge.

Long-term financial planning. In 2003, the Village conducted its first long-range financial planning workshop. The workshop was held in response to the slowing economy and its impact to the Village's financial condition. The goal of the workshop was to put the Village's financial condition back on firm ground in such a manner as to not overburden residents and businesses from a tax standpoint or reduce the scope and quality of municipal services that would jeopardize the livability and curb appeal of the community. The goal of the workshop was accomplished through a series of revenue enhancements, budget cuts and the planned drawdown of fund balance. Subsequent workshops were held in 2004 – 2005 and 2007 - 2010. During the 2010 workshop, financial status reports were provided for end-of-year results for 2009, updated projections for 2010 and a revised forecast for 2011. Pension funding and state revenue issues were also discussed.

A comprehensive debt service policy was presented at the 2009 workshop to guide the decision making process for whether or not debt funding should be considered. The policy includes:

- Conditions under which debt financing is considered
- Criteria for evaluating pay-as-you-go financing versus debt financing
- Debt issuance guidelines for bond types, use of professional services and method of sale
- There are also debt capacity guidelines and debt limits to quantify whether issuing debt is appropriate
- Finally, there is direction for handling debt administration pre- and post-issuance

Another tool in managing the long-range finances of the Village is the Five-Year Capital Improvement Plan. This plan outlines the major capital expenditure/project initiatives of the Village over the next five years and identifies funding sources. Over the next five years (2011-2015), the Village will spend a planned \$54.1 million in water and sewer, flood control, street, public building, equipment and other miscellaneous capital projects.

Awards. 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 Mount Prospect for its comprehensive annual financial report for the year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Village of Mount Prospect has received a Certificate of Achievement since 1983. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for evaluation.

In addition, the Village of Mount Prospect also received the Government Finance Officers Association's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning on January 1, 2010 and ending December 31, 2010. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The Village of Mount Prospect has received this award each year since 1994. The Village is awaiting word as to whether it received the Budget Award for its 2011 Budget document.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express special appreciation to Lynn Jarog, Deputy Finance Director, Tricia Farkas, Accounting Supervisor and Judy Chen and Nancy Warnock, Accountants who contributed greatly to its preparation. Additionally, I would like to acknowledge the Mayor, the Board of Trustees, the Finance Commission and the Village Manager for their leadership and support in planning and conducting the financial affairs of the Village in a responsible and progressive manner.

Respectfully submitted,



David O. Erb
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Mount Prospect
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 12, 2011

The Honorable Mayor
Members of the Board of Trustees
Village of Mount Prospect, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information for the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2010, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2011, on our consideration of the Village of Mount Prospect, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general 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.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Mount Prospect, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of federal expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF MOUNT PROSPECT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Fiscal Year Ended December 31, 2010

The Village of Mount Prospect (the "Village") Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv), and the Village's financial statements (beginning on page 3).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The primary focus of local governmental financial statements has been to summarize fund type information on a current financial resource basis. This approach has been modified by Governmental Accounting Standards Board (GASB) Statement No. 34. As a result, these financial statements now present two kinds of statements, each with a different snapshot of the Village's finances. The new financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 3-6) are designed to be corporate-like in that all of the governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") found on pages 3 and 4 is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 5-6) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including police, fire, public works, and administration. Property taxes, sales and income taxes and local utility taxes finance the majority of these services. The business-type activities reflect private sector type operations (water, sewer, and parking operations), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

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

The Governmental Major Fund (see pages 7-12) presentation is organized on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

(See independent auditor's report.)

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police and Firefighters Pension Funds). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 13-16) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 9 and 12). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the government-wide statements).

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets for the Primary Government (which is the Village's bottom line) as of December 31, 2010 were \$82.1 million. This was an increase in net assets of \$1.2 million from 2009. Net assets of the Village's governmental activities were \$53.2 million, an increase of \$0.7 million. The Village's unrestricted net assets for governmental activities, the part that can be used to finance day-to-day operations, were \$18.3 million down \$2.0 million from the 2009 unrestricted net asset total of \$20.3 million.

Table 1 reflects the condensed Statement of Net Assets. For more detailed information see the Statement of Net Assets found on pages 3-4. Table 2 focuses on the changes in net assets of the governmental and business-type activities.

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(See independent auditor's report.)

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

Table 1
Statement of Net Assets
as of December 31, 2010 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 47.8	\$ 49.3	\$ 6.9	\$ 7.1	\$ 54.7	\$ 56.4
Capital assets	57.1	55.9	23.0	22.4	80.1	78.3
Total assets	\$ 104.9	\$ 105.2	\$ 29.9	\$ 29.5	\$ 134.8	\$ 134.7
Current liabilities	\$ 22.4	\$ 22.4	\$ 0.8	\$ 1.0	\$ 23.2	\$ 23.4
Noncurrent liabilities	29.3	30.3	0.2	0.1	29.5	30.4
Total liabilities	\$ 51.7	\$ 52.7	\$ 1.0	\$ 1.1	\$ 52.7	\$ 53.8
Net Assets						
Invested in capital assets, net of related debt	\$ 30.0	\$ 27.7	\$ 23.0	\$ 22.4	\$ 53.0	\$ 50.1
Restricted net assets	4.9	4.5	-	-	4.9	4.5
Unrestricted net assets	18.3	20.3	5.9	6.0	24.2	26.3
Total net assets	\$ 53.2	\$ 52.5	\$ 28.9	\$ 28.4	\$ 82.1	\$ 80.9

Normal Impacts

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

Net results of activities - which will impact (increase/decrease) current assets and unrestricted net assets.

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

Spending borrowed proceeds on new capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of nonborrowed current assets on new capital - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal payment on debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of capital assets through depreciation - which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

Only slight changes were seen in governmental and business-type activities from 2009. Governmental activities net assets increased \$0.7 million while the business-type activities net assets increased by \$0.5 million. The governmental activities total assets decreased by \$0.3 million and the governmental activities total liabilities decreased by \$1.0 million. The total assets decrease of \$0.3 million in governmental activities was the result of a decrease of \$1.5 million in current and other assets and an increase of \$1.2 million in capital assets. The \$1.5 million decrease in current assets was due to a decrease in cash and investments of \$4.8 million, an increase in receivables of \$6.8 million and a decrease in due from other governments of \$3.5 million. The spend down in reserves related to certain capital improvement projects accounted for the decrease in cash and investments while delays in receiving state allocated revenues contributed to the increase in receivables (Other Taxes). The total net assets increase of \$0.5 million in business-type activities was primarily due to an increase in assets of \$0.4 million.

(See independent auditor's report.)

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

The decrease in total liabilities of \$1.0 million for the governmental activities was due to a decrease in liabilities related to debt service and other long-term obligations of \$1.3 million and an increase in the net pension obligation and other post-employment benefits of \$0.3 million. Liabilities for debt service decreased due to the principal payment on various bond issues. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities decreased from \$1.1 million to \$1.0 million. This was due to a decrease in various other liability categories.

Changes in Net Assets

The Village's combined change in net assets for the primary government in 2010 was an increase of \$1.2 million. Activities for the governmental activities saw an increase in net assets of \$0.7 million, a rise of \$1.4 million from 2009, while activities for the business-type funds saw an increase in net assets of \$0.5 million in 2010 versus an increase of \$0.7 million in 2009. There was no change in combined net assets in the prior year. The following chart lists the revenues and expenses for the current fiscal year.

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(See independent auditor's report.)

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

Table 2
Changes in Net Assets
as of December 31, 2010 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for service	\$ 8.0	\$ 8.6	\$ 9.1	\$ 8.7	\$ 17.1	\$ 17.3
Operating grants	0.6	1.1	-	-	0.6	1.1
Capital grants	0.4	0.4	-	-	0.4	0.4
General revenues						
Property taxes	17.2	16.5	1.5	1.5	18.7	18.0
Sales taxes	14.7	13.8	0.1	0.1	14.8	13.9
Income taxes	4.4	4.6	-	-	4.4	4.6
Utility taxes	4.6	4.5	-	-	4.6	4.5
Other taxes	4.5	3.4	-	-	4.5	3.4
Investment income	0.1	0.2	-	-	0.1	0.2
Contributions	-	-	-	-	-	-
Other	0.6	0.6	0.1	0.1	0.7	0.7
Total revenue	\$ 55.1	\$ 53.7	\$ 10.8	\$ 10.4	\$ 65.9	\$ 64.1
Expenses						
General government	\$ 6.6	\$ 7.2	\$ -	\$ -	\$ 6.6	\$ 7.2
Public safety	27.3	27.2	-	-	27.3	27.2
Highways and streets	12.9	12.1	-	-	12.9	12.1
Health	4.1	4.2	-	-	4.1	4.2
Welfare	2.0	2.3	-	-	2.0	2.3
Culture and recreation	0.3	0.4	-	-	0.3	0.4
Interest	1.2	1.0	-	-	1.2	1.0
Water and sewer	-	-	10.0	9.4	10.0	9.4
Parking	-	-	0.3	0.3	0.3	0.3
Total expenses	\$ 54.4	\$ 54.4	\$ 10.3	\$ 9.7	\$ 64.7	\$ 64.1
Change in net assets	\$ 0.7	\$ (0.7)	\$ 0.5	\$ 0.7	\$ 1.2	\$ -

(Note: There will be some slight differences in totals due to rounding).

(See independent auditor's report.)

Normal Impacts

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

Revenues:

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

Increase/decrease in Village approved rates - While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, sewer, licenses and fees, home rule sales tax, utility taxes, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) - Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market impacts on investment income - The Village's investment portfolio is managed using a short-term average maturity and the market condition may cause investment income to fluctuate less than alternative longer-term options.

Expenses:

Introduction of new programs - Within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs or unfunded mandates from other governmental levels.

Increase/Decrease in authorized personnel - Changes in service demand may cause the Village Board to increase/decrease authorized staffing levels. Staffing costs (salary and related benefits) represent approximately 80% of the Village's General Fund operating costs.

Salary increases (annual adjustments and merit) - The ability to attract and retain human and intellectual resources requires the Village to strive for a competitive salary range position in the marketplace. In addition, the Village has 4 separate bargaining units representing various segments of the employee population.

Inflation - While overall inflation appears to be reasonably low, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some specific areas may experience unusually high price increases.

CURRENT YEAR IMPACTS

Governmental Activities

Revenue:

Total revenues for the Village's Governmental Activities for 2010 were \$55.1 million.

Property taxes are the largest revenue source for governmental activities accounting for \$17.2 million or an increase of \$0.7 million from the prior year. This revenue has historically been the most stable source for the Village. Sales tax was the second highest revenue source with \$14.7 million in revenue. This was an increase of \$0.9 million from the prior year. The increase was due primarily to the reopening of a significant retailer after remodeling. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. Revenues from charges for services decreased \$0.6 million from \$8.6 million in 2009 to \$8.0 million in 2010. This was due to building permit activity in 2009 related to a single large development project. The income tax decreased \$0.2 million as state shared revenues continued to decline in this period of economic downturn.

(See independent auditor's report.)

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

Expenses:

Total expenses for the Village's Governmental Activities for 2010 were \$54.4 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2010 were \$27.3 million versus \$27.2 million in 2009. A general wage increase of 3.5% (effective on 7/1/2010) accounted for the increase. Salaries account for almost 80% of total public safety expenses. Expenses for Highways and Streets, which are made up of the public works divisions (excluding water and sewer) is the second largest category of governmental expenses totaling \$12.9 million an increase of \$0.8 million from the prior year. The increase is primarily due to capital projects completed during the year.

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2010 were \$10.8 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service accounts for almost the entire amount of revenue for business-type activities. Of the \$9.1 million generated in 2010, \$6.1 million is from water sales, \$1.8 million is from sewer fees, \$0.2 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2009, water sales accounted for \$5.8 million and sewer fees were \$1.7 million. The Water and Sewer Fund also receives special service area taxes in the amount of \$1.5 million. This amount is unchanged from the prior year. These taxes support the delivery of Lake Michigan Water to Village residents that are connected to the Village's water system.

Expenses:

Total expenses for the Village's Business-Type Activities for 2010 were \$10.3million.

Of the total expenses for business-type activities, \$10.0 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$3.6 million in Water and Sewer Fund expenses was for the acquisition of water through the Northwest Suburban Municipal Joint Action Water Agency (JAWA). In comparison, of the \$9.4 million in expenses for 2009, \$3.5 million was attributable to the acquisition of water through JAWA.

FINANCIAL ANALYSIS OF THE VILLAGE'S GENERAL FUND

The General Fund is the Village's primary operating fund. It supports a majority of the day-to-day services delivered to its residences and businesses. The fund balance of the General Fund saw a slight increase of \$0.2 million in 2010 from \$10.2 million to \$10.4 million. In 2010, General Fund revenues fell short of the final budget by \$0.1 million while expenditures came in \$1.0 million under budget. There was also a transfer out of \$0.5 million to support certain capital projects (versus a budgeted amount of \$0.9 million). The final Village budget had anticipated a decrease in the General Fund fund balance of \$1.1 million.

Intergovernmental revenues were above budget by \$0.1 million primarily due to the growth in sales tax. Actual sales tax receipts for 2010 came in \$0.8 million above the original budget. No other significant deviations were seen in revenues during 2010. Expenditures in all the areas of general government came in below budget for 2010. Additionally, a capital transfer of \$0.5 million to support the construction of Fire Station 14 and companion projects was originally expected to be \$0.9 million. This savings was due to excellent project management and favorable pricing in the marketplace.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2010, the Village amended the budget two times. Typically, the Village amends the budget in the first six months of the year and again right before the end of the budget year. Table 3 below reflects the original and revised budget and the actual revenues and expenditures for the General Fund. More information can be found in the schedule of revenues, expenditures and changes in fund balance on page 73.

Table 3
General Fund Budgetary Changes
Calendar Year 2010 (in millions)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 19.2	\$ 18.7	\$ 18.7
Intergovernmental	15.2	15.9	16.0
Other	<u>6.9</u>	<u>6.8</u>	<u>6.5</u>
Total Revenues	\$ 40.7	\$ 40.8	\$ 40.7
Expenditures and Transfers			
Expenditures	\$ 41.1	\$ 41.0	\$ 40.0
Transfers	<u>-</u>	<u>0.9</u>	<u>0.5</u>
Total Expenditures and Transfers	\$ 41.1	\$ 41.9	\$ 40.5
 Change in Fund Balance	 <u>\$ (0.4)</u>	 <u>\$ (1.1)</u>	 <u>\$ 0.2</u>

Other Major Funds

There are three (3) other Major Funds for Fiscal Year ended December 31, 2010. These three Funds are 1) Refuse Disposal Fund, 2) Debt Service Fund, and 3) Series 2009 Construction Fund.

Refuse Disposal Fund – This Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2010 were \$4.0 million, no change from the prior year. Of this total revenue amount, \$1.5 million is from property taxes, \$2.1 million is from charges for services with the balance coming from miscellaneous items and interest income. Total expenditures for 2010 were \$4.0 million, a decrease of \$0.1 million from the prior year. Ending fund balance was unchanged from the prior year at \$2.3 million.

Debt Service Fund – This Fund is used to accumulate monies for payment of principal and interest on general obligation bonds and other borrowings. Total revenues for 2010 were \$2.6 million, a decrease of \$0.2 million from the prior year. Of this total revenue amount, \$2.5 million is from property taxes and \$0.1 million is from intergovernmental revenue. Total expenditures for 2010 were \$2.2 million, a decrease of \$0.2 million from the prior year. The decrease in expenditures is due to changes in the annual payment schedule. Ending fund balance improved \$0.4 million during the year from (\$0.5) million to (\$0.1) million.

Series 2009 Construction Fund – This Fund accounts for the resources to fund costs of constructing a replacement fire station, emergency operations center and public works expansion. This Fund was established in 2009 through the issuance of \$12.7 million of general obligation bonds. An additional \$1.6 million of interfund transfers will also be used to support project costs. Total revenues for 2010 were \$0.1 million, no change from the prior year. Grant monies and interest income account for the entire amount. Total expenditures for 2010 were \$3.4 million, a decrease of \$10.0 million from the prior year. Ending fund balance at the close of 2010 was \$0.2 million. Costs related to the completion of outstanding punch list construction items will deplete the remaining fund balance during 2011.

(See independent auditor’s report.)

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

Capital Assets

At the end of 2010, the Village had a combined total of \$80.1 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 below). The following reconciliation summarizes the changes in Capital Assets which are presented in detail beginning on page 37 of the notes.

Table 4
Capital Assets at Year End
Net of Depreciation (in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land (including right-of-way)	\$ 9.7	\$ 9.7	\$ 0.2	\$ 0.2	\$ 9.9	\$ 9.9
Construction in Progress	-	9.9	0.1	-	0.1	9.9
Buildings & Improvements	32.6	21.0	7.3	6.7	39.9	27.7
Vehicles	5.0	4.8	-	-	5.0	4.8
Machinery & Equipment	0.7	0.7	2.1	1.9	2.8	2.6
Infrastructure	<u>9.1</u>	<u>9.8</u>	<u>13.3</u>	<u>13.6</u>	<u>22.4</u>	<u>23.4</u>
Total Capital Assets	<u>\$ 57.1</u>	<u>\$ 55.9</u>	<u>\$ 23.0</u>	<u>\$ 22.4</u>	<u>\$ 80.1</u>	<u>\$ 78.3</u>

This amount represents a net increase (including additions and deletions) of \$1.8 million from 2009.

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(See independent auditor's report.)

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

Table 5
Change in Capital Assets (in millions)

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 55.9	\$ 22.4	\$ 78.3
Additions			
Depreciable	14.1	1.5	15.6
Non-Depreciable	-	0.1	0.1
Retirements			
Depreciable	(0.7)	-	(0.7)
Non-Depreciable	(9.9)	(0.1)	(10.0)
Depreciation	(3.0)	(0.9)	(3.9)
Retirement	0.7	-	0.7
Ending Balance	<u>\$ 57.1</u>	<u>\$ 23.0</u>	<u>\$ 80.1</u>

Table 5 above shows the change in capital assets during 2010. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

Final construction costs associated with Fire Station #14, Emergency Operations Center, and PW Expansion – \$2.9 million
Construction projects in progress moved to depreciable asset classification upon completion – \$9.5 million (Fire Station #14, Emergency Operations Center, and PW Expansion)

Business-type Activities

Combined Sewer Replacement - \$0.9 million
Lift Stations Emergency Generators - \$0.4 million

More detailed information on capital asset activity can be found in Note 3 of the notes to the financial statements beginning on page 37.

Debt Outstanding

The Village of Mount Prospect had total long-term debt and loans payable of \$31.4 million as of December 31, 2010. Long-term debt is comprised of general obligation debt, compensated absences to employees, net pension obligation and other post-employment benefits (OPEB), and loans payable. During the year, \$0.5 million of general obligation debt was retired; \$0.5 million in loans payable was retired while compensated absences increased by \$26,500. In addition, the net pension obligation and OPEB increased a combined \$230,840.

The Village of Mount Prospect maintains an AA+ rating from Standard and Poor's. As a home rule authority, the Village of Mount Prospect does not have a legal debt limit. The Village may issue new refunding debt during 2011 if market rates are favorable and the net present value savings for the refunding are in excess of 3%. All pending Village Board approval.

More detailed information on long-term debt activity can be found in Note 3 of the notes to the financial statements beginning on page 42.

(See independent auditor's report.)

Economic Factor's and Next Year's Budget

As expected, overall revenues received in 2010 were flat from 2009. We see only a slight improvement in revenues for 2011. A continued challenge for 2011 is the funding of the public safety pensions. Due to modest gains in the value of the investments of the Police and Fire pension funds, the required contribution from the Village has increased dramatically. State mandated contributions to the two public safety pension funds for 2011 increased \$876,835. In an effort to reduce the burden on property owners the Village Board elected to reduce the general corporate portion of the 2010 property tax levy in order to hold the overall property tax increase to 0% from the 2009 levy. As a result, property taxes to the general fund were reduced \$1.1 million.

The Village property tax, sales tax, local utility taxes and the Village's share of the state income tax make up a majority of the portion of General Fund revenues (67.9%). Except for property and sales taxes, each of these major revenue sources saw a decline from the prior year. In addition, the real estate transfer tax continues to drop from the high-level mark in 2005. Transfer taxes in 2005 were \$1.5 million and had fallen to \$0.4 million by 2010. We expect this revenue to have bottomed out at the current level.

The Village's average unemployment rate for 2010 was 7.8%. This is below both the state and national unemployment rate of 9.2% and 9.6% respectively. The Village's unemployment rate decreased 10 basis points from the prior year.

The 2011 budget shows the total budget decreasing 6.1% from the amended 2010 budget and totals \$92.4 million. The decrease is due to 1) reductions in the operating budget of \$3.4 million, the result of the elimination of 32 full-time personnel, and 2) reduction in the capital budget of \$3.3 million, the result of the completion of several significant capital projects.

Request for Information

This financial report is designed to provide a general overview of the Village of Mount Prospect'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 financial information should be addressed to David O. Erb, Finance Director/Treasurer, Village of Mount Prospect, 50 South Emerson, Mount Prospect, Illinois 60056.

(See independent auditor's report.)

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
 - Fiduciary 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Assets
December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Assets
December 31, 2010**

	Governmental Activities	Business- Type Activities	Total	Component Unit Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 20,004,910	\$ 3,517,931	\$ 23,522,841	\$ 4,070,583
Receivables - Net of Allowances				
Property Taxes	16,801,970	1,677,131	18,479,101	10,395,450
Other Taxes	6,689,509	25,253	6,714,762	-
Accounts	205,025	-	205,025	15,662
Utility Customers	-	1,076,561	1,076,561	-
Other	1,786,217	10,758	1,796,975	2,154
Due from Other Governments	545,223	764	545,987	-
Internal Balances	314,100	(314,100)	-	-
Prepays/Inventories	576,064	273,013	849,077	12,300
Total Current Assets	46,923,018	6,267,311	53,190,329	14,496,149
Noncurrent Assets				
Capital Assets				
Nondepreciable	9,683,707	252,618	9,936,325	677,552
Depreciable	103,783,733	53,729,794	157,513,527	24,716,776
Accumulated Depreciation	(56,351,242)	(30,938,348)	(87,289,590)	(9,112,694)
	57,116,198	23,044,064	80,160,262	16,281,634
Other Assets				
Deposits - Insurance	545,238	-	545,238	-
Deposit with Joint Venture	-	660,428	660,428	-
Unamortized Bond Issue Costs	34,307	-	34,307	100,019
Net Other Post-Employment Benefit Asset	1,184	2,177	3,361	-
Net Pension Asset	301,147	-	301,147	-
	881,876	662,605	1,544,481	100,019
Total Noncurrent Assets	57,998,074	23,706,669	81,704,743	16,381,653
Total Assets	104,921,092	29,973,980	134,895,072	30,877,802

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

	Governmental Activities	Business- Type Activities	Total	Component Unit Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	3,389,034	684,241	4,073,275	73,338
Accrued Payroll	1,179,512	95,528	1,275,040	188,849
Accrued Interest Payable	96,506	-	96,506	54,717
Claims Payable	605,932	-	605,932	-
Unearned/Deferred Revenues	15,221,396	14,159	15,235,555	9,507,000
Current Portion of Long-Term Liabilities	1,942,742	41,315	1,984,057	988,762
Total Current Liabilities	22,435,122	835,243	23,270,365	10,812,666
Noncurrent Liabilities				
Compensated Absences Payable	2,520,169	165,262	2,685,431	95,048
Net Pension Obligation	541,527	-	541,527	-
Net Other Post-Employment Benefits Obligation Payable	433,477	1,981	435,458	49,285
Notes/Loans Payable	2,256,556	-	2,256,556	-
General Obligation Bonds Payable - Net	23,526,682	-	23,526,682	14,260,019
Total Noncurrent Liabilities	29,278,411	167,243	29,445,654	14,404,352
Total Liabilities	51,713,533	1,002,486	52,716,019	25,217,018
NET ASSETS				
Invested in Capital Assets -				
Net of Related Debt	30,020,260	23,044,064	53,064,324	1,056,615
Restricted - Debt Service	-	-	-	645,977
Restricted - Public Safety	233,973	-	233,973	-
Restricted - Capital Projects	4,657,325	-	4,657,325	1,091,215
Restricted - Donations	-	-	-	284,325
Restricted - Working Cash	-	-	-	2,088,448
Unrestricted	18,296,001	5,927,430	24,223,431	494,204
Total Net Assets	\$ 53,207,559	\$ 28,971,494	\$ 82,179,053	\$ 5,660,784

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Activities
Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 6,541,405	\$ 6,271,966	\$ -	\$ -
Public Safety	27,303,165	1,486,144	69,603	8,278
Highways and Streets	12,924,872	135,641	559,764	435,000
Health	4,133,883	25,862	-	-
Welfare	2,039,805	34,055	10,800	-
Culture and Recreation	322,553	11,047	-	-
Interest on Long-Term Debt	1,146,789	-	-	-
Total Governmental Activities	<u>54,412,472</u>	<u>7,964,715</u>	<u>640,167</u>	<u>443,278</u>
Business-Type Activities				
Water and Sewer	9,950,591	8,916,621	-	-
Parking	284,607	210,324	-	-
Total Business-Type Activities	<u>10,235,198</u>	<u>9,126,945</u>	<u>-</u>	<u>-</u>
	<u>\$ 64,647,670</u>	<u>\$ 17,091,660</u>	<u>\$ 640,167</u>	<u>\$ 443,278</u>
Component Unit - Public Library	<u>\$ 8,608,683</u>	<u>\$ 169,858</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues
Taxes
Property
Utility
Home Rule Sales
Food and Beverage
Real Estate Transfer
Municipal Motor Fuel
Other
Hotel/Motel
Intergovernmental - Unrestricted
State Sales and Use
Income Taxes
Motor Fuel Tax
Replacement Taxes
Interest
Miscellaneous
Transfers - Internal Activity
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

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

Net Expense/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Public Library
\$ (269,439)	\$ -	\$ (269,439)	\$ -
(25,739,140)	-	(25,739,140)	-
(11,794,467)	-	(11,794,467)	-
(4,108,021)	-	(4,108,021)	-
(1,994,950)	-	(1,994,950)	-
(311,506)	-	(311,506)	-
(1,146,789)	-	(1,146,789)	-
(45,364,312)	-	(45,364,312)	-
-	(1,033,970)	(1,033,970)	-
-	(74,283)	(74,283)	-
-	(1,108,253)	(1,108,253)	-
(45,364,312)	(1,108,253)	(46,472,565)	-
-	-	-	(8,438,825)
17,165,849	1,513,114	18,678,963	8,895,510
4,589,221	-	4,589,221	-
4,392,753	89,942	4,482,695	-
790,965	-	790,965	-
379,942	-	379,942	-
313,544	-	313,544	-
71,889	-	71,889	-
41,716	-	41,716	-
11,110,707	-	11,110,707	-
4,428,176	-	4,428,176	-
1,698,798	-	1,698,798	-
362,532	-	362,532	52,019
67,001	1,653	68,654	14,650
633,902	75,267	709,169	94,146
8,370	(8,370)	-	-
46,055,365	1,671,606	47,726,971	9,056,325
691,053	563,353	1,254,406	617,500
52,516,506	28,408,141	80,924,647	5,043,284
\$ 53,207,559	\$ 28,971,494	\$ 82,179,053	\$ 5,660,784

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2010**

	General	Refuse Disposal
ASSETS		
Cash and Investments	\$ 4,067,456	\$ 1,885,464
Receivables - Net of Allowances		
Property Taxes	12,668,700	1,939,341
Other Taxes	5,742,372	-
Accounts	-	205,025
Other	610,232	13,262
Due from Other Governments	95,222	-
Due from Other Funds	1,563,298	62,808
Prepays/Inventories	53,536	112,737
 Total Assets	 <u>\$ 24,800,816</u>	 <u>\$ 4,218,637</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 669,697	\$ 197,275
Accrued Payroll	1,105,225	9,631
Due to Other Funds	1,140,261	96
Unearned/Deferred Revenues	11,467,642	1,750,000
Total Liabilities	<u>14,382,825</u>	<u>1,957,002</u>
Fund Balances		
Reserved - Prepays/Inventories	53,536	112,737
Reserved - Public Safety	-	-
Reserved - Capital Projects	-	-
Unreserved - General	10,364,455	-
Unreserved - Special Revenue	-	2,148,898
Unreserved - Debt Service	-	-
Unreserved - Capital Projects	-	-
Total Fund Balances	<u>10,417,991</u>	<u>2,261,635</u>
 Total Liabilities and Fund Balances	 <u>\$ 24,800,816</u>	 <u>\$ 4,218,637</u>

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

Debt Service	Series 2009 Construction	Nonmajor Governmental	Totals
\$ 438,301	\$ -	\$ 3,893,652	\$ 10,284,873
1,916,922	-	277,007	16,801,970
288,069	-	659,068	6,689,509
-	-	-	205,025
-	49,084	1,107,547	1,780,125
-	-	429,824	525,046
-	450,000	218,366	2,294,472
-	-	1,048	167,321
<u>\$ 2,643,292</u>	<u>\$ 499,084</u>	<u>\$ 6,586,512</u>	<u>\$ 38,748,341</u>
\$ -	\$ 261,977	\$ 1,483,012	\$ 2,611,961
-	-	2,912	1,117,768
968,000	79,275	473,402	2,661,034
1,754,136	-	249,618	15,221,396
<u>2,722,136</u>	<u>341,252</u>	<u>2,208,944</u>	<u>21,612,159</u>
-	-	1,048	167,321
-	-	233,973	233,973
-	157,832	1,682,786	1,840,618
-	-	-	10,364,455
-	-	-	2,148,898
(78,844)	-	-	(78,844)
-	-	2,459,761	2,459,761
<u>(78,844)</u>	<u>157,832</u>	<u>4,377,568</u>	<u>17,136,182</u>
<u>\$ 2,643,292</u>	<u>\$ 499,084</u>	<u>\$ 6,586,512</u>	<u>\$ 38,748,341</u>

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to
Net Assets - Governmental Activities**

December 31, 2010

Total Governmental Fund Balances **\$ 17,136,182**

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 52,285,072

Internal Service Funds are used by the Village to charge the costs of vehicle and
equipment management and employee compensated absences to individual funds.
The assets and liabilities of the internal service funds are included in
the governmental activities in the Statement of Net Assets. 14,594,477

Unamortized bond issuance costs are not considered to represent a financial
resource and therefore, are not reported in the funds. 34,307

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

Compensated Absences Payable	(2,976,178)
Net Pension Asset	301,147
Net Pension Obligation Payable	(541,527)
Net Other Post-Employment Benefit Obligation	(433,477)
General Obligation Bonds Payable - Net of Unamortized Items	(24,306,682)
Loan Contracts Payable	(2,789,256)
Accrued Interest Payable	<u>(96,506)</u>

Net Assets of Governmental Activities **\$ 53,207,559**

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2010**

	General	Refuse Disposal
Revenues		
Taxes	\$ 18,653,070	\$ 1,743,268
Licenses, Permits and Fees	3,394,211	-
Intergovernmental	15,995,173	-
Charges for Services	1,655,275	2,127,478
Fines and Forfeits	556,178	-
Interest	43,540	852
Miscellaneous	414,877	137,522
Total Revenues	40,712,324	4,009,120
Expenditures		
Current		
General Government	5,240,716	-
Public Safety	26,865,404	-
Highways and Streets	5,925,170	-
Health	125,512	4,002,498
Welfare	1,573,887	-
Culture and Recreation	313,125	-
Capital Outlay	-	-
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	40,043,814	4,002,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	668,510	6,622
Other Financing Sources (Uses)		
Transfers In	-	-
Transfers Out	(450,000)	-
	(450,000)	-
Net Change in Fund Balances	218,510	6,622
Fund Balances - Beginning	10,199,481	2,255,013
Fund Balances - Ending	\$ 10,417,991	\$ 2,261,635

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

Debt Service	Series 2009 Construction	Nonmajor Governmental	Total Governmental Funds
\$ 2,531,392	\$ -	\$ 4,813,072	\$ 27,740,802
-	-	-	3,394,211
-	45,300	2,678,614	18,719,087
-	-	7,223	3,789,976
-	-	-	556,178
826	5,795	4,444	55,457
44,501	-	184,249	781,149
2,576,719	51,095	7,687,602	55,036,860
-	-	-	5,240,716
-	-	69,681	26,935,085
-	-	1,525,653	7,450,823
-	-	-	4,128,010
-	-	465,918	2,039,805
-	-	-	313,125
-	3,386,834	4,352,756	7,739,590
1,046,203	-	-	1,046,203
1,124,236	-	-	1,124,236
2,170,439	3,386,834	6,414,008	56,017,593
406,280	(3,335,739)	1,273,594	(980,733)
-	450,000	-	450,000
-	-	-	(450,000)
-	450,000	-	-
406,280	(2,885,739)	1,273,594	(980,733)
(485,124)	3,043,571	3,103,974	18,116,915
\$ (78,844)	\$ 157,832	\$ 4,377,568	\$ 17,136,182

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ (980,733)
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	3,307,160
Depreciation Expense	(2,082,980)
The amortization of bond issuance costs is not reported as an expenditure in the governmental funds.	
	(2,840)
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.	
Additions to Compensated Absences Payable	(2,931)
Additions to Net Pension Obligation Payable	(137,336)
Additions to Net Other Post-Employment Benefit Obligations	(33,198)
Premium on Refunding	6,227
Retirement of General Obligation Bonds Payable	530,000
Amortization of Bond Discount	(4,273)
Retirement of Loan Contracts Payable	516,203
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.	
	(9,213)
Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	<u>(415,033)</u>
Changes in Net Assets of Governmental Activities	<u>\$ 691,053</u>

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Assets - Proprietary Funds
Year Ended December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2010

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 3,148,880	\$ 369,051	\$ 3,517,931	\$ 9,720,037
Receivables - Net of Allowances				
Property Taxes	1,677,131	-	1,677,131	-
Other Taxes	-	25,253	25,253	-
Accounts - Billed	604,314	-	604,314	-
Accounts - Unbilled	472,247	-	472,247	-
Other	10,758	-	10,758	6,092
Due from Other Governments	764	-	764	20,177
Due from Other Funds	-	308	308	5,433
Prepays	558	-	558	26,084
Inventories	272,455	-	272,455	382,659
Total Current Assets	6,187,107	394,612	6,581,719	10,160,482
Noncurrent Assets				
Capital Assets				
Nondepreciable	63,351	189,267	252,618	-
Depreciable	53,206,741	523,053	53,729,794	12,377,146
Accumulated Depreciation	(30,439,350)	(498,998)	(30,938,348)	(7,546,020)
	22,830,742	213,322	23,044,064	4,831,126
Other Assets				
Deposits - Insurance	-	-	-	545,238
Net Other Post-Employment Benefits Asset	2,177	-	2,177	1,184
Deposit with Joint Venture	660,428	-	660,428	-
	662,605	-	662,605	546,422
Total Noncurrent Assets	23,493,347	213,322	23,706,669	5,377,548
Total Assets	29,680,454	607,934	30,288,388	15,538,030

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

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Activities Internal Service
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 678,901	\$ 5,340	\$ 684,241	\$ 101,812
Accrued Payroll	92,944	2,584	95,528	61,744
Claims Payable	-	-	-	605,932
Due to Other Funds	64,100	250,308	314,408	32
Unearned/Deferred Revenue	-	14,159	14,159	-
Compensated Absences Payable	41,315	-	41,315	34,807
Total Current Liabilities	877,260	272,391	1,149,651	804,327
Noncurrent Liabilities				
Compensated Absences Payable	165,262	-	165,262	139,226
Net Other Post-Employment				
Benefits Obligation Payable	-	1,981	1,981	-
Total Noncurrent Liabilities	165,262	1,981	167,243	139,226
Total Liabilities	1,042,522	274,372	1,316,894	943,553
NET ASSETS				
Invested in Capital Assets	22,830,742	213,322	23,044,064	4,831,126
Unrestricted	5,807,190	120,240	5,927,430	9,763,351
Total Net Assets	\$ 28,637,932	\$ 333,562	\$ 28,971,494	\$ 14,594,477

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2010**

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 8,916,621	\$ 210,324	\$ 9,126,945	\$ 7,009,450
Contributions	-	-	-	1,050,606
Miscellaneous	-	-	-	35,972
Total Operating Revenues	8,916,621	210,324	9,126,945	8,096,028
Operating Expenses				
Administration and Maintenance	9,047,929	272,599	9,320,528	2,355,101
Insurance and Claims	-	-	-	5,339,549
Depreciation	902,662	12,008	914,670	883,076
Total Operating Expenses	9,950,591	284,607	10,235,198	8,577,726
Operating Income (Loss)	(1,033,970)	(74,283)	(1,108,253)	(481,698)
Nonoperating Revenues				
Property Taxes	1,513,114	-	1,513,114	-
Home Rule Sales Tax	-	89,942	89,942	-
Connection Fees	17,217	-	17,217	-
Interest Income	1,542	111	1,653	11,544
Other Income	58,050	-	58,050	-
Disposal of Capital Assets	-	-	-	46,751
	1,589,923	90,053	1,679,976	58,295
Income (Loss) Before Transfers	555,953	15,770	571,723	(423,403)
Transfers In	-	-	-	8,370
Transfers Out	(8,370)	-	(8,370)	-
Change in Net Assets	547,583	15,770	563,353	(415,033)
Net Assets - Beginning	28,090,349	317,792	28,408,141	15,009,510
Net Assets - Ending	\$ 28,637,932	\$ 333,562	\$ 28,971,494	\$ 14,594,477

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2010**

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 8,639,265	\$ 207,825	\$ 8,847,090	\$ -
Interfund Services Provided	-	-	-	8,614,633
Payments to Suppliers	(8,233,033)	(319,012)	(8,552,045)	(7,601,048)
Payments to Employees	(941,164)	(48,236)	(989,400)	(820,965)
	<u>(534,932)</u>	<u>(159,423)</u>	<u>(694,355)</u>	<u>192,620</u>
Cash Flows from Noncapital Financing Activities				
Other Income	1,588,381	89,942	1,678,323	-
Transfers In (Out)	(8,370)	-	(8,370)	8,370
	<u>1,580,011</u>	<u>89,942</u>	<u>1,669,953</u>	<u>8,370</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	-	-	-	82,051
Purchase of Capital Assets	(1,546,600)	-	(1,546,600)	(924,846)
	<u>(1,546,600)</u>	<u>-</u>	<u>(1,546,600)</u>	<u>(842,795)</u>
Cash Flows from Investing Activities				
Interest Received	1,542	111	1,653	11,544
	<u>(499,979)</u>	<u>(69,370)</u>	<u>(569,349)</u>	<u>(630,261)</u>
Net Change in Cash and Cash Equivalents				
	<u>3,648,859</u>	<u>438,421</u>	<u>4,087,280</u>	<u>10,350,298</u>
Cash and Cash Equivalents - Beginning				
	<u>\$ 3,148,880</u>	<u>\$ 369,051</u>	<u>\$ 3,517,931</u>	<u>\$ 9,720,037</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (1,033,970)	\$ (74,283)	\$ (1,108,253)	\$ (481,698)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	902,662	12,008	914,670	883,076
(Increase) Decrease in Current Assets	(277,356)	(2,499)	(279,855)	518,605
Increase (Decrease) in Current Liabilities	(126,268)	(94,649)	(220,917)	(727,363)
	<u>(534,932)</u>	<u>(159,423)</u>	<u>(694,355)</u>	<u>192,620</u>
Net Cash Provided by Operating Activities				

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Net Assets - Fiduciary Funds
December 31, 2010

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 5,099,509	\$ 1,226,743
Investments		
State and Local Obligations	9,468,124	-
U.S. Government and Agency Obligations	33,392,212	-
Mutual Funds	39,528,444	-
Receivables - Net of Allowances		
Accrued Interest	345,987	-
Other	296	11,914
Prepays	1,391	-
Due from Other Funds	<u>597,390</u>	<u>117,871</u>
Total Assets	<u>88,433,353</u>	<u>1,356,528</u>
LIABILITIES		
Accounts Payable	32,063	-
Deposits Payable	-	1,313,853
Due to Other Funds	-	40,000
Other Liabilities	-	2,580
Due to Library	<u>-</u>	<u>95</u>
Total Liabilities	<u>32,063</u>	<u>1,356,528</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 88,401,290</u>	

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Changes in Net Assets - Fiduciary Funds
Year Ended December 31, 2010**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 4,182,277
Contributions - Plan Members	<u>1,265,204</u>
Total Contributions	<u>5,447,481</u>
Investment Income	
Interest Earned	2,045,129
Net Change in Fair Value	<u>5,723,687</u>
	7,768,816
Less Investment Expenses	<u>(179,279)</u>
Net Investment Income	<u>7,589,537</u>
Total Additions	<u>13,037,018</u>
Deductions	
Administration	75,670
Benefits and Refunds	<u>6,381,288</u>
Total Deductions	<u>6,456,958</u>
Change in Net Assets	6,580,060
Net Assets - Beginning	<u>81,821,230</u>
Net Assets - Ending	<u>\$ 88,401,290</u>

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Mount Prospect, Illinois (Village) was incorporated in 1917. The Village operates under the Council/Manager form of government. The appointed manager administers daily operations with the community while the elected Village Mayor and six-member Board of Trustees determine Village policy. The Village's major operations include public works, finance, police, fire, community development, human services and communications.

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. 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 Mount Prospect
Blended Component Unit:	Police Pension Employees Retirement System Firefighters' Pension Employee Retirement System
Discretely Presented Component Unit:	Mount Prospect Public Library

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village.

Blended Component Units – Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the component unit provided services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

Discretely Presented Component Units – Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Units

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The Village's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village's President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. The FPERS is reported as a pension trust fund.

Discretely Presented Component Unit

Mount Prospect Public Library

The Mount Prospect 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 Mount Prospect for purposes of these financial statements. A copy of the Library's report may be obtained by writing to the Mount Prospect Public Library, 10 South Emerson Street, Mount Prospect Illinois 60056.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

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, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage and commuter parking activities are classified as business-type activities.

In the government-wide Statement of Net Assets, 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 and receivables as well as long-term debt and obligations.

The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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, community development, 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) changes 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 assets 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, liabilities, reserves, 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 MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

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, liabilities, 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, liabilities, 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, liabilities, 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 one major special revenue fund, the Refuse Disposal Fund, and six nonmajor special revenue funds. The Refuse Disposal Fund accounts for the revenues and expenditures associated with providing solid waste collection services. Financing is provided by property taxes, user fees and recycling income. The Refuse Disposal Fund reports charges for services (committed) and property taxes (restricted) as the major revenue sources for the fund.

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 treated as a major fund and accounts for the servicing of general long-term debt not being financed by proprietary funds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

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 one major capital projects fund, the Series 2010 Construction Fund, which is used to account for the resources to provide for the construction of Fire Station 14, the Emergency Operations Center (EOC), and the Public Works Expansion projects. Financing is being provided by developer contributions, transfers from other funds and interest income. The Village maintains four nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, 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 accounts for the activities of the water and sewer operations. The Village operates the sewerage treatment plant, sewerage pumping stations and collection systems and the water distribution system. The Village maintains two nonmajor enterprise funds.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains four internal service funds. The Computer Replacement Fund is used to account for the acquisition of Village computer hardware. Financing is being provided by charges to various Village funds. The Risk Management Fund is used to account for the servicing and payment of claims for liability, property, casualty coverage, workers' compensation and medical benefits. Financing is being provided by charges in the various Village funds. The Vehicle Replacement Fund is used to account for the acquisition and depreciation of Village vehicles. Financing is being provided by charges to the General, Water and Sewer, Parking System Revenue and Refuse Disposal Funds. The Vehicle Maintenance Fund is used to account for the maintenance and repair of all Village vehicles. Financing is being provided by charges to various Village funds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

Agency funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains four agency funds. The Escrow Deposit Fund is used to account for refundable deposits held by the Village to ensure the completion of public improvements. The money is held by the Village until the improvements are completed. The Flexcomp Escrow Fund is used to account for employee payroll deductions pursuant to a Section 125 flexible compensation plan. The money is reimbursed to employees for qualified medical and dependent care expenses. The Special Service Area Fund is used to account for the accumulation of resources for debt service payments for Special Service Area No. 6. The Library Bonds Escrow Fund is used to account for the accumulation of resources for the 2002 Library bond issue payments.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

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.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities 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, pension trust, and agency funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust, and agency fund equity is classified as net assets. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets 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 is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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.

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, pension trust and agency 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Assets 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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays/inventories 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 prepays in both the government-wide and fund financial statements.

Restricted (Noncurrent) Assets

Certain deposits of the Water and Sewer Fund are recorded as restricted assets because their use is restricted by an intergovernmental agreement with the Northwest Suburban Municipal Joint Action Water Agency. Also, certain deposits of the Risk management Fund are recorded as restricted assets because their use is restricted by an agreement with the various third-party administrators.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, buildings and improvements, purchased or acquired with an original cost of over \$20,000 (\$3,000 for the component unit) and infrastructure, buildings and improvements with an original cost of over \$50,000 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. Infrastructure such as streets, stormsewers and bridges 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.

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:

Buildings and Improvements	20 – 50 Years
Machinery and Equipment	2 – 20 Years
Vehicles	2 – 20 Years
Infrastructure	15 – 50 Years

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

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.

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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred charges and amortized over the term of the related debt.

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.

Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity

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

Invested in capital assets, net of related debt—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 net assets—Consists of net assets 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 net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

All departments of the Village submit requests for appropriations to the Village Manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Pension Trust Funds. All annual appropriations lapse at fiscal year end.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, budget amendments were approved by the Village Board. The final budget figures included in this report reflect all budget amendments made during the year.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
Debt Service	\$ 26
Asset Seizure	4,118
Foreign Fire Insurance	5,206

DEFICIT FUND EQUITY

The following funds had deficit fund equity for the fiscal year:

<u>Fund</u>	<u>Deficit</u>
Debt Service	\$ 78,844
Motor Fuel Tax	230,294
Flood Control Construction	126,021
Parking System Revenue	158,008

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 except the pension trust 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 deposits and investments of the pension trust funds are held separately from those of other 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, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

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.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET 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, business-type, and agency activities totaled \$8,768,798 and the bank balances totaled \$9,636,490.

Investments. The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment
		Maturities (in Years) Less Than 1
Illinois Funds	\$ 13,505,540	\$ 13,505,540
Illinois Metropolitan Investment Fund	2,475,246	2,475,246
	<u>\$ 15,980,786</u>	<u>\$ 15,980,786</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the ‘prudent person’ standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal and rate of return.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village’s policy limits its exposure to credit risk by permitting investments in only those securities allowed under law and by specifically prohibiting investments in leveraged or derivative securities. Illinois Funds, money market mutual funds and IMET are rated AAA.

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 entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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. To limit its exposure, the Village’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds, and IMET 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 requires diversification of investments to avoid unreasonable risk. No financial institution shall hold more than 20% of the Village’s investment portfolio, exclusive of any securities held in safekeeping; Illinois funds shall not exceed 40% of the investment portfolio and IMET shall not exceed 10% of the investment portfolio.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,517,297 and the bank balances totaled \$1,518,849.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U. S. Treasury Notes	\$ 4,092,582	\$ -	\$ 2,709,417	\$ 1,383,165	\$ -
U. S. Treasury Bonds	2,129,055	-	-	488,681	1,640,374
U. S. Treasury Tips	588,284	-	167,728	420,556	-
U. S. Treasury Inflation Index	321,232	-	-	321,232	-
Federal Farm Credit Bureau	347,334	-	347,334	-	-
Federal Home Loan Bank	1,076,760	-	1,076,760	-	-
Federal Home Loan Mtg. Corp.	1,437,421	-	828,919	132,621	475,881
Federal National Mtg. Assn.	6,376,989	-	2,099,094	2,409,425	1,868,470
Government National Mtg. Assn.	1,493,635	-	-	46,724	1,446,911
U. S. HUD Security	218,844	-	218,844	-	-
U. S. Department HSG	107,017	-	107,017	-	-
Municipal Bonds	2,716,310	-	491,391	589,627	1,635,292
Equity Mutual Funds	20,732,027	20,732,027	-	-	-
Illinois Funds	938,665	938,665	-	-	-
	<u>\$ 42,576,155</u>	<u>\$ 21,670,692</u>	<u>\$ 8,046,504</u>	<u>\$ 5,792,031</u>	<u>\$ 7,066,928</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. The Fund's investment policy states that the investment portfolio will limit its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market with a minimum return of 4% to 6% desired during the market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

Credit Risk. The Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The FHLB, FHLMC, FFCB, FNMA, GNMA U.S. HUD Securities, money market mutual funds and Illinois Funds are rated AAA. The municipal bonds have market values of \$1,128,055, \$1,486,205 and \$102,050 rated AAA, AA and A, respectively.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Funds deposits may not be returned to it. The Fund's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Fund's portfolio at any time. In addition, the following allocations are desired: depository accounts and money market mutual funds at 1% to 5%, fixed income securities at 50% to 54% with the remainder in equities, and equity mutual funds. At December 31, 2010, the FNMA securities exceeded 5% of the Fund's total investments. This is in compliance with the Fund's investment policy.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,199,802 and the bank balances totaled \$1,206,234.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U. S. Treasury Notes	\$ 1,363,919	\$ -	\$ 562,135	\$ 801,784	\$ -
U. S. Treasury Bonds	2,040,202	-	-	425,646	1,614,556
U. S. Treasury Strips	977,540	-	-	-	977,540
U. S. Treasury Inflation Index	321,232	-	-	321,232	-
Federal Farm Credit Bureau	267,180	-	267,180	-	-
Federal Home Loan Bank	2,083,710	-	2,083,710	-	-
Federal Home Loan Mtg. Corp.	1,196,067	-	834,531	129,396	232,140
Federal National Mtg. Assn.	6,076,754	-	2,630,201	1,872,054	1,574,499
Government National Mtg. Assn.	550,594	-	-	75,457	475,137
U. S. HUD Security	218,844	-	218,844	-	-
U. S. Department HSG	107,017	-	107,017	-	-
Municipal Bonds	6,751,814	231,555	4,461,831	589,627	1,468,801
Equity Mutual Funds	18,796,417	18,796,417	-	-	-
Illinois Funds	1,443,745	1,443,745	-	-	-
	<u>\$ 42,195,035</u>	<u>\$ 20,471,717</u>	<u>\$ 11,165,449</u>	<u>\$ 4,215,196</u>	<u>\$ 6,342,673</u>

Interest Rate Risk. The Fund’s investment policy states that the investment portfolio will limit its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market with a minimum return of 4% to 6% desired during the market cycle. In addition, no investment in a fixed income security shall have a maturity of greater than 30 years from the time of purchase.

Credit Risk. The Fund’s investment policy helps limit its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The Fund’s investment policy does not address the management of credit risk. The FHLB, FHLMC, FFCB, FNMA, GNMA U.S. HUD Securities, money market mutual funds and Illinois Funds are rated AAA. The municipal bonds have market values of \$301,728, \$979,599, \$1,855,704 and \$3,614,782 rated SP-1, AAA, AA and A, respectively.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Funds deposits may not be returned to it. The Fund'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 held by an independent third party or the Federal Reserve Bank and evidenced by safekeeping receipts. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk.

Concentration Risk. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Fund, shall hold more than 10% of the Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Fund's portfolio at any time. In addition, the following allocations are desired: depository accounts and money market mutual funds at 1% to 5%, fixed income securities at 50% to 54% with 45% in equities, and equity mutual funds. At December 31, 2010, FNMA securities exceeded 5% of the Fund's total investments. This is in compliance with the Fund's investment policy.

PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, 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, 2011, and September 1, 2011. The County collects such taxes and remits them periodically.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land/Land Right of Way	\$ 9,706,798	\$ 4,083	\$ 27,174	\$ 9,683,707
Construction in Progress	9,881,288	-	9,881,288	-
	<u>19,588,086</u>	<u>4,083</u>	<u>9,908,462</u>	<u>9,683,707</u>
Depreciable Capital Assets				
Buildings	27,429,229	12,620,152	-	40,049,381
Improvements Other than Buildings	1,645,403	70,676	-	1,716,079
Vehicles	11,951,869	924,846	690,589	12,186,126
Machinery and Equipment	1,252,632	376,825	-	1,629,457
Infrastructure	48,058,804	143,886	-	48,202,690
	<u>90,337,937</u>	<u>14,136,385</u>	<u>690,589</u>	<u>103,783,733</u>
Less Accumulated Depreciation				
Buildings	7,561,504	996,672	-	8,558,176
Improvements Other than Buildings	574,616	84,245	-	658,861
Vehicles	7,160,973	872,966	655,289	7,378,650
Machinery and Equipment	522,181	138,876	-	661,057
Infrastructure	38,221,201	873,297	-	39,094,498
	<u>54,040,475</u>	<u>2,966,056</u>	<u>655,289</u>	<u>56,351,242</u>
Total Net Depreciable Capital Assets	<u>36,297,462</u>	<u>11,170,329</u>	<u>35,300</u>	<u>47,432,491</u>
Total Net Capital Assets	<u>\$ 55,885,548</u>	<u>\$ 11,174,412</u>	<u>\$ 9,943,762</u>	<u>\$ 57,116,198</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 479,619
Public Safety	546,441
Highways and Streets	1,041,619
Health	5,873
Culture and Recreation	9,428
Internal Service	<u>883,076</u>
	<u>\$ 2,966,056</u>

Business-Type Activities

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

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 195,541	\$ -	\$ -	\$ 195,541
Construction in Progress	34,000	57,077	34,000	57,077
	<u>229,541</u>	<u>57,077</u>	<u>34,000</u>	<u>252,618</u>
Depreciable Capital Assets				
Buildings and Improvements	10,105,656	1,142,102	-	11,247,758
Machinery and Equipment	4,061,367	381,421	-	4,442,788
Infrastructure	38,039,248	-	-	38,039,248
	<u>52,206,271</u>	<u>1,523,523</u>	<u>-</u>	<u>53,729,794</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,462,239	444,856	-	3,907,095
Machinery and Equipment	2,136,773	187,290	-	2,324,063
Infrastructure	24,424,666	282,524	-	24,707,190
	<u>30,023,678</u>	<u>914,670</u>	<u>-</u>	<u>30,938,348</u>
Total Net Depreciable Capital Assets	<u>22,182,593</u>	<u>608,853</u>	<u>-</u>	<u>22,791,446</u>
Total Net Capital Assets	<u>\$ 22,412,134</u>	<u>\$ 665,930</u>	<u>\$ 34,000</u>	<u>\$ 23,044,064</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

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

Water and Sewer	\$ 902,662
Parking System Revenue	5,205
Village Parking System	<u>6,803</u>
	<u>\$ 914,670</u>

Discretely Presented Component Unit

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

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land and Land Improvements	\$ 677,552	\$ -	\$ -	\$ 677,552
Depreciable Capital Assets				
Buildings and Improvements	17,543,076	-	-	17,543,076
Equipment	890,384	36,470	9,900	916,954
Books	6,201,423	411,259	355,936	6,256,746
	<u>24,634,883</u>	<u>447,729</u>	<u>365,836</u>	<u>24,716,776</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,701,611	438,577	-	3,140,188
Equipment	714,446	34,996	9,900	739,542
Books	5,190,736	398,164	355,936	5,232,964
	<u>8,606,793</u>	<u>871,737</u>	<u>365,836</u>	<u>9,112,694</u>
Total Net Depreciable Capital Assets	<u>16,028,090</u>	<u>(424,008)</u>	<u>-</u>	<u>15,604,082</u>
Total Net Capital Assets	<u>\$ 16,705,642</u>	<u>\$ (424,008)</u>	<u>\$ -</u>	<u>\$ 16,281,634</u>

Depreciation expense was charged to component unit activities as follows:

Mount Prospect Public Library	<u>\$ 871,737</u>
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VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Refuse Disposal	\$ 96
General	Debt Service	968,000
General	Nonmajor Governmental	303,878
General	Water and Sewer	1,292
General	Nonmajor Business-Type	250,000
General	Vehicle Replacement	32
General	Flexcomp Escrow	40,000
Refuse Disposal	Water and Sewer	62,808
Series 2009 Construction	General	450,000
Nonmajor Governmental	Series 2009 Construction	79,275
Nonmajor Governmental	Nonmajor Governmental	139,091
Nonmajor Business-Type	Nonmajor Business-Type	308
Risk Management	Nonmajor Governmental	2,299
Vehicle Maintenance	Nonmajor Governmental	3,134
Police Pension	General	311,499
Fire Pension	General	285,891
Escrow Deposit	General	92,871
Escrow Deposit	Nonmajor Governmental	25,000
		<u>\$ 3,015,474</u>

The purposes of the significant interfund receivables/payables are as follows:

- \$968,000 due to the General Fund from the Debt Service Fund. The balance represents money advanced to the Debt Service Fund to be used to pay principal and interest due on IEPA Flood Control Loans. Options for repayment will be reviewed in 2011.
- \$450,000 due to the Series 2009 Construction Fund from the General Fund. The balance represents the planned transfer to cover the expenditures for the construction of Fire Station 14, EOC, and the Public Works Expansion projects. Settlement will be completed by April 2011.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Balances – Continued

- \$303,878 due to the General Fund from Nonmajor Governmental Funds. The balance represents money advanced to Nonmajor Governmental Funds to be used for a shortfall in Motor Fuel Tax receipts (\$300,000) in the Motor Fuel Tax Fund and to fund (\$3,878) in the Community Development Block Grant Fund. The Motor Fuel Tax Fund was able to reduce the advance in 2010. Options for repayment will continue to be reviewed in 2011.
- \$250,000 due to the General Fund from Nonmajor Business-Type Funds. The balance represents an operating loan to help fund the operations of the Parking System Revenue Fund as well as a loan for short-term cash shortage. Although the cash shortage continues to be ongoing, the Fund was able to reduce the amount in 2010. A review of options for repayment will be completed in 2011.
- \$92,871 due to the Escrow Deposit Fund from the General Fund. The balance represents the (\$95,000) transfer to the Escrow Deposit Fund for the DCEO Capital Grant Funds received for the Community Connection Center, and (\$2,129) to the General Fund for adjustments paid by the General Fund for adjustments paid by the General Fund. The grant money was placed in an escrow account because the Village may need to return the funding to the State of Illinois pending legal outcome at the State level.
- \$62,808 due to the Refuse Disposal Fund from the Water and Sewer Fund. These are refuse collection billing charges originating from the water utility billing system not made before December 31, 2010. Repayment is expected by December 31, 2011.
- \$40,000 due to the General Fund from the Flexcomp Escrow Fund. The balance represents money advanced to the Flexcomp Escrow Fund to cover flexible spending account reimbursements. The money is reimbursed to employees for qualified medical and dependent care expenses, parking and transportation expenses.
- \$311,499 due to the Police Pension Fund from the General Fund. This was the contributions due for January and February 2011 tax collections plus an additional \$96,250 contributions owed to the Police Fund for an intentional drawdown of General Fund reserves in order to maintain the annual required contribution to the Police Pension Fund. The total is net of Police Pension payables owed to the General Fund.
- \$285,891 due to the Firefighters' Pension Fund from the General Fund. This was the contributions due for January and February 2011 tax collections plus an additional \$96,250 contributions owed to the Firefighters' Pension Fund for an intentional drawdown of General Fund reserves in order to maintain the annual required contribution to the Firefighters' Pension Fund.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Series 2009 Construction	General	\$ 450,000
Vehicle Replacement	Water and Sewer	<u>8,370</u>
		<u>\$ 458,370</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$12,235,000 General Obligation Bonds of 2003, due in annual installments of \$440,000 to \$880,000 plus interest at 3.25% to 4.75% through December 1, 2022.	Debt Service	\$ 8,890,000	\$ -	\$ 530,000	\$ 8,360,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$10,000,000 General Obligation Bonds of 2009, due in annual installments of \$200,000 to \$1,955,000 plus interest at 3.00% to 4.50% through December 1, 2028.	Debt Service	\$ 9,800,000	\$ -	\$ -	\$ 9,800,000
\$3,430,000 General Obligation Refunding Bonds of 2009B, due in annual installments of \$230,000 to \$370,000 plus interest at 2.50% to 3.75% through December 1, 2021.	Debt Service	3,430,000	-	-	3,430,000
\$2,650,000 Taxable General Obligation Bonds of 2009C, due in annual installments of \$25,000 to \$1,000,000 plus interest at 3.00% to 5.75% through December 1, 2029.	Debt Service	2,650,000	-	-	2,650,000
		<u>\$ 24,770,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>	<u>24,240,000</u>
Plus: Unamortized Bond Premium					118,308
Less: Unamortized Bond Discount					<u>(51,626)</u>
					<u>\$ 24,306,682</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Loan Contracts Payable

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$558,474 IEPA Flood Loan (L17-0856) Contract Payable of 1994, due in semi annual installments of \$33,539 to \$38,320 plus interest at 3.36% through July 12, 2013.	Debt Service	\$ 145,910	\$ -	\$ 34,675	\$ 111,235
\$3,695,354 IEPA Flood Loan (L17-0744) Contract Payable of 1994, due in semi annual installments of \$126,134 to \$246,050 plus interest at 3.36% through May 1, 2014.	Debt Service	1,063,001	-	222,644	840,357
\$1,711,672 IEPA Flood Loan (L17-0857) Contract Payable of 1994, due in semi annual installments of \$99,329 to \$117,337 plus interest at 3.36% through December 10, 2014.	Debt Service	549,468	-	102,695	446,773
\$1,203,550 IEPA Flood Loan (L17-0855) Contract Payable of 1997, due in semi annual installments of \$62,825 to \$79,035 plus interest at 2.89% through November 1, 2017.	Debt Service	573,106	-	64,654	508,452
\$1,760,422 IEPA Flood Loan (L17-1087) Contract Payable of 1999, due in semi annual installments of \$57,498 to \$112,771 plus interest at 2.625% through June 3, 2019.	Debt Service	973,974		91,535	882,439
		<u>\$ 3,305,459</u>	<u>\$ -</u>	<u>\$ 516,203</u>	<u>\$ 2,789,256</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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	\$ 3,123,711	\$ 53,000	\$ 26,500	\$ 3,150,211	\$ 630,042
Net Pension Obligation	338,789	3,608,825	3,406,087	541,527	-
Net Other Post-Employment Benefits Obligation	404,191	270,875	242,773	432,293	-
General Obligation Bonds	24,770,000	-	530,000	24,240,000	780,000
Add: Unamortized Bond Premium	124,535	-	6,227	118,308	-
Less: Unamortized Bond Discount	(55,899)	-	(4,273)	(51,626)	-
Loan Contracts Payable	3,305,459	-	516,203	2,789,256	532,700
	<u>\$ 32,010,786</u>	<u>\$ 3,932,700</u>	<u>\$ 4,723,517</u>	<u>\$ 31,219,969</u>	<u>\$ 1,942,742</u>
Business-Type Activities					
Compensated Absences	\$ 180,210	\$ 52,743	\$ 26,376	\$ 206,577	\$ 41,315
Net Other Post-Employment Benefits Obligation	5,134	6,711	12,041	(196)	-
	<u>\$ 185,344</u>	<u>\$ 59,454</u>	<u>\$ 38,417</u>	<u>\$ 206,381</u>	<u>\$ 41,315</u>
Component Unit - Public Library					
Compensated Absences	\$ 114,638	\$ 8,344	\$ 4,172	\$ 118,810	\$ 23,762
Net Other Post-Employment Benefits Obligation	52,157	-	2,872	49,285	-
General Obligation Bonds	16,525,000	-	935,000	15,590,000	965,000
Less: Unamortized Bond Discount	(395,396)	-	(30,415)	(364,981)	-
	<u>\$ 16,296,399</u>	<u>\$ 8,344</u>	<u>\$ 911,629</u>	<u>\$ 15,393,114</u>	<u>\$ 988,762</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental-type activities, payments on compensated absences, net pension obligation and net other post-employment benefits obligation are made by the General Fund. The Debt Service Fund makes payments on the general obligation bonds and on the IEPA loans. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$174,033 of internal service funds' compensated absences is included in the above amount and is generally liquidated by the Vehicle Maintenance Fund, an internal service fund. In addition, (\$1,184) of internal service funds' net other post-employment benefits asset is included in the above amount and is liquidated by the Vehicle Maintenance Fund, an internal service fund. Compensated absences for the business-type activities are liquidated by the Water and Sewer Fund. Payments on the net other post-employment benefits obligation are made by the Water and Sewer Fund and the Parking Fund. The Mount Prospect Public Library, a discretely presented component unit, makes payments on the library general obligation bonds, the library compensated absences and the library net other post-employment benefits obligation.

Advance Refunding – Component Unit

During fiscal year 2006, the Village issued \$10,000,000 General Obligation Library Refunding Bonds, Series 2006. Of the proceeds, \$9,866,641 has been deposited in an irrevocable trust to provide for future debt service payments on \$9,380,000 of the General Obligation Library Bonds, Series 2002. As a result, the refunded portion of the bonds is considered defeased and the escrowed assets and liability for the bonds have been removed from these financial statements. The defeased bonds still outstanding totaled \$9,380,000 at December 31, 2010.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

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 Ending Dec. 31	Governmental Activities				Component Unit Public Library	
	General Obligation Bonds		Loan Contracts Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 780,000	\$ 792,908	\$ 532,700	\$ 80,656	\$ 965,000	\$ 656,608
2012	850,000	787,156	549,732	63,622	1,015,000	613,576
2013	880,000	780,158	567,311	46,045	1,050,000	568,340
2014	935,000	773,033	417,587	28,226	1,105,000	521,530
2015	990,000	764,156	178,913	18,345	1,150,000	470,930
2016	1,040,000	753,853	183,840	13,418	1,305,000	416,856
2017	1,095,000	740,221	188,903	8,355	1,360,000	358,266
2018	1,155,000	724,247	112,771	3,735	1,410,000	305,906
2019	1,225,000	704,147	57,499	754	1,465,000	250,916
2020	1,300,000	680,837	-	-	1,525,000	193,048
2021	1,370,000	654,177	-	-	1,585,000	132,048
2022	1,380,000	625,262	-	-	1,655,000	67,856
2023	1,475,000	496,762	-	-	-	-
2024	1,560,000	433,364	-	-	-	-
2025	1,650,000	370,964	-	-	-	-
2026	1,750,000	301,664	-	-	-	-
2027	1,850,000	226,414	-	-	-	-
2028	1,955,000	145,476	-	-	-	-
2029	1,000,000	57,500	-	-	-	-
Total	\$ 24,240,000	\$ 10,812,299	\$ 2,789,256	\$ 263,156	\$ 15,590,000	\$ 4,555,880

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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 the 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.

Mount Prospect Public Library Financing Agreement

Long-Term Financing from Primary Government

The Village entered into an agreement with the Mount Prospect Public Library (the Library) on May 21, 2002 for the financing of the renovation of the existing public library. The Village agreed to issue general obligation bonds in the amount of \$20,500,000. The Library assumed full responsibility for the repayment of the bonds, inclusive of principal and interest and all costs associated with the bond issue as well as construction of the project. The liability (\$5,780,000 bonds and \$9,810,000 of 2007 refunding bonds at December 31, 2010) for the bonds has been displayed on the Library’s financial statements. In the event of a default by the Library, the Village is obligated to pay the principal and interest on the bonds.

The Library will remit to the Village all monies received from taxes collected for payment of principal and interest on a semi-annual basis. Payments are due May 1 and November 1 of each year. The Library has agreed to remit to the Village a balloon payment on November 1, 2021 in an amount sufficient to cover the December 1, 2021 principal and interest payments, the June 1, 2022 interest payment and the December 1, 2022 principal and interest payment.

The Library is responsible for all costs associated with the bond issue such as attorney fees, bond counsel fees and underwriter fees. Payments made to the Village are reported as a debt service expenditure on the Library’s governmental fund financial statements and a reduction of the liability in the Library’s General Long-Term Debt on the government-wide financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET ASSETS

Net Assets Classifications

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2010:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation \$ 57,117,538

Less Capital Related Debt:

General Obligation Bonds of 2003	(8,360,000)	
General Obligation Bonds of 2009	(9,800,000)	
General Obligation Bonds of 2009B	(3,430,000)	
General Obligation Bonds of 2009C	(2,650,000)	
IEPA Flood Loan (L17-0856) Contract Payable of 1994	(111,235)	
IEPA Flood Loan (L17-0744) Contract Payable of 1994	(840,357)	
IEPA Flood Loan (L17-0857) Contract Payable of 1994	(446,773)	
IEPA Flood Loan (L17-0855) Contract Payable of 1997	(508,452)	
IEPA Flood Loan (L17-1087) Contract Payable of 1999	(882,439)	
Unamortized Bond Premium	(118,308)	
Unamortized Bond Discount	51,626	<u>(27,095,938)</u>

Investment in Capital Assets - Net of Related Debt \$ 30,021,600

Business-Type Activities

Capital Assets - Net of Accumulated Depreciation \$ 23,044,064

Component Unit - Public Library

Capital Assets - Net of Accumulated Depreciation \$ 16,281,634

Less Capital Related Debt:

General Obligation Bonds of 2002	(5,780,000)	
General Obligation Bonds of 2006	(9,810,000)	
Unamortized Bond Discount	364,981	<u>(15,225,019)</u>

\$ 1,056,615

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village and its component are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; natural disasters; and injuries to the Village's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program. The Village is self-insured for the first \$25,000 for property claims, \$2,000,000 for liability claims, \$2,000,000 for errors and omissions and \$500,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. The Village's self-insurance activities are reported in the Risk Management Fund, an internal service fund.

Premiums are paid into the Risk Management Fund by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2010 was \$605,932.

Changes in the balances of claims liabilities during the fiscal year are as follows:

	Auto	Workers' Compensation	General Liability	Total
Claims Payable - December 31, 2008	\$ 61,272	\$ 1,220,365	\$ 59,356	\$ 1,340,993
Incurred Claims	37,519	465,424	474,686	977,629
Claims Paid	-	(493,990)	(400,788)	(894,778)
Claims Payable - December 31, 2009	98,791	1,191,799	133,254	1,423,844
Incurred Claims	-	(191,490)	(10,763)	(202,253)
Claims Paid	(2,257)	(498,779)	(114,623)	(615,659)
Claims Payable - December 31, 2010	\$ 96,534	\$ 501,530	\$ 7,868	\$ 605,932

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

High-Level Excess Liability Pool (HELP)

The Village is a member of the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities in Illinois to provide excess liability coverage (\$12,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

HELP is governed by the Board of Directors which consists of one appointed representative from each Member Municipality. Each Director has an equal vote. The officers of HELP are elected by the Board of Directors. The Board of Directors determines the general policy of HELP, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by HELP, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

The Village does not exercise any control over the activities of HELP beyond its representation on the Board of Directors.

The Village of Elk Grove Village, Illinois (the initial Host member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for HELP. The bond proceeds were put into escrow. An intergovernmental agreement among HELP, the Village of Elk Grove Village and the Members provides that HELP and its Members are obligated to the Village of Elk Grove Village for payment of principal and interest on the bonds until such bonds have been retired. The bonds were retired April 30, 1997.

HELP was organized on April 1, 1987 with the initial agreement which has been extended to April 30, 2018. The Village has committed to purchase excess liability insurance from HELP through the term of the agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: 1) Miles of streets; 2) Full-time equivalent employees; 3) Number of motor vehicles; and 4) Operating revenues

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. 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 MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

CONTRACTUAL COMMITMENTS

High-Level Excess Liability Pool (HELP)

The Village has committed to purchase excess liability insurance from the High-Level Excess Liability Pool (HELP), and insurance pool of Illinois municipalities, through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage.

Future premiums will be calculated using the Village's allocation percentage. HELP's agreement provides that each year members will be assessed based upon a formula which specifies the following four criteria for allocating premium costs:

- Miles of Streets
- Full-Time Equivalent Employees
- Number of Motor Vehicles
- Operating Revenues

The Village paid \$75,833 to HELP in 2010. For 2011, the Village estimates it will pay \$75,540.

Solid Waste Agency of Northern Cook County (SWANCC)

Annual payments to SWANCC are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For 2011 the Village estimates it will pay SWANCC \$1,112,658, with annual increases ranging from 0% to 3% through 2022.

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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The Village is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers. The seven members of JAWA and their percentage shares as of April 30, 2010 are as follows:

	Percent Share
Village of Elk Grove Village	16.42 %
Village of Hanover Park	8.83
Village of Hoffman Estates	16.11
Village of Mount Prospect	11.90
City of Rolling Meadows	8.50
Village of Schaumburg	27.83
Village of Streamwood	10.41
	<u>100.00 %</u>

These percentage shares are based upon formulae contained in the water supply agreement and are subject to change in future years based upon consumption by the municipalities.

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts bylaws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued

Summary of financial positions as of April 30, 2010:

Current Assets	\$ 22,613,711	Current Liabilities	\$ 4,097,091
Noncurrent Assets		Long-Term Liabilities	<u>76,040,313</u>
Capital Assets	50,561,968		
Other Assets	<u>11,014,988</u>	Total Liabilities	<u>80,137,404</u>
Total Assets	<u>\$ 84,190,667</u>	Net Assets	<u>\$ 4,053,263</u>

Summary of revenues, expenses and changes in net assets for the year ended April 30, 2010:

Operating Revenues	\$ 30,073,987
Operating Expenses	<u>25,926,608</u>
Operating Income	4,147,379
Nonoperating Revenue (Expenses)	<u>(2,841,990)</u>
Change in Net Assets	1,305,389
Net Assets - Beginning	<u>2,747,874</u>
Net Assets - Ending	<u>\$ 4,053,263</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Northwest Suburban Municipal Joint Action Water Agency (JAWA) – Continued

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges, and all rates, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2022. The Agreements are irrevocable and may not be terminated or amended except as provided in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of JAWA through the year 2020.

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

The payments required to be made by the Village under this Agreement shall be required to be made solely from revenues to be derived by the Village from the operation of the Waterworks and Sewerage System. Members are not prohibited by the Agreement, however, from using other available funds to make payments under the Agreement. This Agreement shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

The obligation of the Village to make payments required by this Agreement from revenues of the Waterworks and Sewerage System shall be payable from the operation and maintenance account of the Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$3,629,178 to JAWA for the year ended December 31, 2010. All payments were paid from the Water and Sewer Fund. The Village’s share of net assets of JAWA was \$660,428 at December 31, 2010.

At December 31, 2005, the Northwest Suburban Municipal Joint Action Water Agency reported a negative net assets balance; therefore, as specified by APB 18, the Village’s investment in joint venture has been reduced to zero and the equity method of accounting has been suspended until such time as the joint venture returns to a positive equity position.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors.

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC, with a claim for payment solely from and secured by a pledge of the revenues of the system, and amounts in various funds and accounts established by SWANCC resolutions. SWANCC has no power to levy taxes.

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

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

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the Municipal Waste System Fund. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$1,114,624 to SWANCC for the year ended December 31, 2010, which is recorded in the Village's Refuse Disposal Fund.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue 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 by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. As set by statute, employees are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to employee contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 9.78 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 11.87 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan

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

At December 31, 2009 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	61
Current Employees	
Vested	58
Nonvested	<u>30</u>
	<u>149</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest, or transferred to a new police pension fund with another municipality. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Firefighters' Pension Fund

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At December 31, 2009 the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	63
Current Employees	
Vested	45
Nonvested	<u>27</u>
	<u>135</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest, or is entitled to receive a pension upon attaining the age of 50 or more with 20 or more years of accumulated credible service. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Significant Investments

There are no investments in any one organization that represent 5 percent or more of net assets available for benefits for the Police and Firefighters' Pension Plans. Information for IMRF is not available.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

Annual Pension Cost and Net Pension Obligation

The pension liability for each plan as of December 31, 2010 is as follows:

	IMRF	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 1,792,977	\$ 2,208,174	\$ 1,925,375	\$ 5,926,526
Interest on Net Pension Obligation	-	(17,458)	27,148	9,690
Adjustment to Annual Required Contribution	-	(45,448)	(136,675)	(182,123)
Annual Pension Cost	1,792,977	2,145,268	1,815,848	5,754,093
Actual Contribution	1,477,280	2,210,670	1,928,807	5,616,757
Increase (Decrease) in the NPO	315,697	(65,402)	(112,959)	137,336
NPO - Beginning of Year	-	(235,745)	338,789	103,044
NPO - End of Year	\$ 315,697	\$ (301,147)	\$ 225,830	\$ 240,380

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village’s annual pension cost for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	9.78%	21.09%	24.889%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2010	12/31/2009	12/31/2009
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	24 Years	24 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2008	\$ 1,332,675	\$ 1,404,264	\$ 1,402,924
	2009	1,338,650	1,477,603	1,410,521
	2010	1,792,977	2,145,268	1,815,848
Actual Contributions	2008	1,309,539	1,420,452	1,417,935
	2009	1,332,675	1,565,009	1,538,564
	2010	1,477,280	2,210,670	1,928,807
Percentage of APC Contributed	2008	100.00%	101.15%	101.07%
	2009	100.00%	105.92%	109.08%
	2010	82.39%	103.05%	106.22%
Net Pension Obligation	2008	-	(164,527)	451,821
	2009	-	(235,745)	338,789
	2010	-	(301,147)	225,830

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/2010	12/31/2009	12/31/2009
Percent Funded	80.42%	60.60%	65.00%
Accuarial Accrued Liability for Benefits	\$44,326,209	\$67,715,945	\$62,747,542
Actuarial Value of Assets	\$35,647,745	\$41,020,478	\$40,800,749
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$8,678,464)	(\$26,695,467)	(\$21,946,793)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$15,105,113	\$7,421,123	\$6,181,788
Ratio of UAAL to Covered Payroll	57.45%	359.72%	355.02%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

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 one of the Village's three retirement plans.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2010, retirees contributed \$607,277.

At December 31, 2010, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	40
Active Employees	<u>318</u>
Total	<u>358</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 MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2010**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2010, was calculated as follows:

Annual Required Contribution	\$ 270,764
Interest on the NPO	20,466
Adjustment to the ARC	<u>(13,644)</u>
Annual OPEB Cost	277,586
Actual Contribution	<u>254,814</u>
Increase in the NPO	22,772
NOPEBO - Beginning of Year	<u>409,325</u>
NOPEBO - End of Year	<u>\$ 432,097</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
2008	\$ 637,400	\$ 253,200	39.72%	\$ 384,200
2009	279,939	254,814	91.02%	409,325
2010	277,586	254,814	91.80%	432,097

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2010

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2009, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,796,773
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,796,773
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	\$ 26,655,049
UAAL as a Percentage of Covered Payroll	21.75%

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 December 31, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate or return and an initial healthcare trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%, a 3.0% price inflation assumption, a 5.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advanced 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 December 31, 2010, was 29 years.

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
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefits Plan

- Budgetary Comparison Schedule – General Fund

- Budgetary Comparison Schedule – Refuse Disposal - Major Special Revenue Fund

Notes to the Required Supplementary Information

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date December 31	(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)
2005	\$ 29,606,790	\$ 31,861,477	92.92%	\$ 2,254,687	\$ 12,211,858	18.46%
2006	32,733,827	33,826,473	96.77%	1,092,646	12,689,232	8.61%
2007	35,921,213	37,209,421	96.54%	1,288,208	13,857,561	9.30%
2008	30,588,784	40,307,663	75.89%	9,718,879	15,126,845	64.25%
2009	32,885,215	42,060,919	78.18%	9,175,704	15,057,932	60.94%
2010	35,647,745	44,326,209	80.42%	8,678,464	15,105,113	57.45%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 1,047,777	\$ 1,047,777	100.00%
2006	1,273,108	1,273,108	100.00%
2007	1,309,539	1,309,539	100.00%
2008	1,332,675	1,332,675	100.00%
2009	1,338,650	1,338,650	100.00%
2010	1,477,280	1,792,977	82.39%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 35,616,429	\$ 47,837,706	74.45%	\$ 12,221,277	\$ 5,648,744	216.35%
2005	37,284,535	50,333,889	74.07%	13,049,354	6,049,971	215.69%
2006	40,084,648	53,166,244	75.39%	13,081,596	6,563,329	199.31%
2007	42,963,185	56,873,906	75.54%	13,910,721	7,078,232	196.53%
2008	36,262,944	61,578,623	58.89%	25,315,679	7,142,505	354.44%
2009	41,020,478	67,715,945	60.58%	26,695,467	7,421,123	359.72%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 1,097,052	\$ 1,077,645	101.80%
2006	1,290,012	1,246,954	103.45%
2007	1,334,425	1,333,283	100.09%
2008	1,420,452	1,408,423	100.85%
2009	1,565,009	1,515,672	103.26%
2010	2,210,670	2,208,174	100.11%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date December 31	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio (1) ÷ (2)	Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	Annual Covered Payroll	Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ 36,729,420	\$ 46,613,979	78.79%	\$ 9,884,559	\$ 4,964,231	199.12%
2005	38,091,422	49,825,274	76.45%	11,733,852	5,095,147	230.29%
2006	40,166,884	52,357,613	76.72%	12,190,729	5,446,735	223.82%
2007	43,030,180	55,025,410	78.20%	11,995,230	5,761,988	208.18%
2008	36,681,856	57,366,525	63.94%	20,684,669	5,862,887	352.81%
2009	40,800,749	62,747,542	65.02%	21,946,793	6,181,788	355.02%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2005	\$ 1,192,522	\$ 1,175,135	101.48%
2006	1,194,705	1,159,480	103.04%
2007	1,348,076	1,302,011	103.54%
2008	1,417,935	1,389,833	102.02%
2009	1,538,564	1,414,110	108.80%
2010	1,928,807	1,925,375	100.18%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Other Post-Employment Benefits Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2010**

Funding Progress

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2005	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	-	7,400,200	0.00%	7,400,200	22,865,500	32.36%
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	5,796,773	0.00%	5,796,773	26,655,049	21.75%
2010	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2005	\$ N/A	\$ N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	253,200	637,400	39.72%
2009	254,814	273,536	93.16%
2010	254,814	270,764	94.11%

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available. The Village is required to have the actuarial valuation performed biannually.

N/A - Not Available

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 19,151,000	\$ 18,715,000	\$ 18,653,070
Licenses, Permits and Fees	3,426,000	3,461,000	3,394,211
Intergovernmental	15,240,100	15,895,100	15,995,173
Charges for Services	1,702,000	1,698,000	1,655,275
Fines and Forfeits	642,000	519,500	556,178
Interest	130,000	50,000	43,540
Miscellaneous	400,000	454,000	414,877
Total Revenues	40,691,100	40,792,600	40,712,324
Expenditures			
General Government	5,377,161	5,417,911	5,240,716
Public Safety	27,417,958	27,298,653	26,865,404
Highway and Streets	6,082,602	6,084,102	5,925,170
Health	128,093	129,093	125,512
Welfare	1,680,530	1,669,515	1,573,887
Culture and Recreation	387,756	361,756	313,125
Total Expenditures	41,074,100	40,961,030	40,043,814
Excess (Deficiency) of Revenues Over (Under) Expenditures	(383,000)	(168,430)	668,510
Other Financing Sources (Uses)			
Transfers Out	-	(861,000)	(450,000)
Net Change in Fund Balance	\$ (383,000)	\$ (1,029,430)	218,510
Fund Balance - Beginning			10,199,481
Fund Balance - Ending			\$ 10,417,991

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Refuse Disposal - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,731,000	\$ 1,733,000	\$ 1,743,268
Charges for Services	2,151,000	2,167,000	2,127,478
Interest	22,500	1,500	852
Miscellaneous	134,000	144,000	137,522
Total Revenues	<u>4,038,500</u>	<u>4,045,500</u>	<u>4,009,120</u>
Expenditures			
Health			
Refuse Disposal Division			
Personal Services	250,442	250,442	234,865
Employee Benefits	77,148	75,148	71,674
Other Employee Costs	2,700	4,700	4,583
Contractual Services	3,853,608	3,853,608	3,641,600
Utilities	572	572	373
Insurance	22,734	22,734	22,734
Commodities and Supplies	33,737	33,737	26,669
Total Expenditures	<u>4,240,941</u>	<u>4,240,941</u>	<u>4,002,498</u>
Net Change in Fund Balance	<u>\$ (202,441)</u>	<u>\$ (195,441)</u>	6,622
Fund Balance - Beginning			<u>2,255,013</u>
Fund Balance - Ending			<u>\$ 2,261,635</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

These financial statements and schedules are not required by the Governmental Accounting Standards Board (GASB), nor a part of the basic financial statements, but are presented for the purpose of additional analysis.

GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUND

Refuse Disposal Fund: The Refuse Disposal Fund is used to account for the revenues and expenditures associated with providing solid waste collection services. Financing is provided by property taxes, user fees and recycling income.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

CAPITAL PROJECTS FUND

Series 2009 Construction: The Series 2009 Construction Fund is used to account for the construction of Fire Station 14, the Emergency Operations Center, and the Public Works Expansion projects.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Taxes			
Property - General	\$ 7,845,000	7,850,000	7,856,570
Property - Police Pension	2,005,000	2,015,000	2,018,171
Property - Firefighters' Pension	1,725,000	1,750,000	1,736,307
Road and Bridge Taxes	92,000	92,000	108,482
Auto Rental Tax	10,000	10,000	11,022
Electronic Games Tax	1,000	1,000	-
Food and Beverage Tax	728,000	788,000	790,965
Real Estate Transfer Tax	650,000	400,000	379,942
Hotel/Motel Tax	36,000	36,000	41,716
Telecommunications Tax	2,900,000	2,900,000	2,838,953
Home Rule Sales Tax	1,246,000	1,100,000	1,120,674
Gas Utility Tax	745,000	605,000	595,322
Electric Utility Tax	1,168,000	1,168,000	1,154,946
Total Taxes	19,151,000	18,715,000	18,653,070
Licenses, Permits and Fees			
Vehicle License Fees	1,405,000	1,405,000	1,402,863
Liquor Licenses	145,000	145,000	141,834
Business Licenses	165,000	165,000	144,870
Contractor Licenses	35,000	35,000	37,890
Alarm Licenses	16,000	16,000	15,180
Elevator Licenses	20,000	20,000	19,330
Building Permit Fees	550,000	685,000	682,713
Electrical Permit Fees	41,000	21,000	17,152
Plumbing Permit Fees	42,000	22,000	23,385
Permit Penalties	3,000	8,000	7,275
Reinspection Fees	75,000	75,000	65,515
Vacant Structure Registration Fees	-	-	3,000
Truck Rental Fees	1,000	1,000	340
Nuisance Abatement Fees	2,000	2,000	-
Utility Permit Fees	5,000	5,000	3,650
Plan Examination Fees	22,000	22,000	19,785
Street Opening Fees	2,000	2,000	2,001
Public Improvement Inspections	75,000	-	-
ZBA Hearing Fees	7,000	7,000	5,950

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Licenses, Permits and Fees - Continued			
False Alarm Fees	\$ 10,000	\$ 10,000	\$ 6,385
Landlord/Tenant Fees	255,000	265,000	261,181
Cable TV Franchise	550,000	550,000	533,912
Total Licenses, Permits and Fees	3,426,000	3,461,000	3,394,211
Intergovernmental			
State Sales Tax	9,560,000	10,200,000	10,388,196
State Income Tax	4,445,000	4,445,000	4,428,176
State Use Tax	754,000	754,000	722,511
Charitable Games Tax	2,000	2,000	5,077
Replacement Taxes	344,000	344,000	355,173
Replacement Taxes - Road and Bridge	7,500	7,500	7,359
Grant - ILEC Police Training	30,000	30,000	15,333
Grant - State Fire Training	5,000	5,000	8,456
Grant - Tobacco Enforcement	5,000	5,000	4,400
Grant - Body Armor	5,000	5,000	8,278
Grant - Illinois Housing Development Authority	21,000	21,000	10,500
Grant - SHAP	-	-	300
Community Connection Center Support	24,000	39,000	30,727
Grant - Other	37,600	37,600	10,687
Total Intergovernmental	15,240,100	15,895,100	15,995,173
Charges for Services			
Water and Sewer Service Charge	476,000	476,000	476,000
Parking Service Charge	41,500	41,500	41,500
Maintenance of State Highways	85,000	85,000	105,906
Ambulance Transport Fees	750,000	750,000	755,846
Forest River Rural FPD	46,000	46,000	41,768
Cable Programming Fees	67,000	40,000	28,252
Other Programs	63,000	66,000	29,949
Special Detail Revenue	15,000	35,000	36,759
Fire Training Revenue	25,000	25,000	11,470
Lease Payments	116,000	116,000	110,274
General Store Lease	17,500	17,500	17,551
Total Charges for Services	1,702,000	1,698,000	1,655,275

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Fines and Forfeitures			
Fines - Parking	\$ 300,000	\$ 240,000	\$ 245,368
Fines - Local Ordinances	5,000	5,000	3,150
Fines - Code Enforcement	10,000	17,500	19,137
Fines - Circuit Court	275,000	225,000	260,008
Fines - Parental Responsibility	2,000	2,000	750
Forfeited Escrow Funds	50,000	30,000	27,765
Total Fines and Forfeitures	642,000	519,500	556,178
Interest			
Investment Income	112,000	47,000	41,407
Interest - Escrow Funds	18,000	3,000	2,133
Total Interest	130,000	50,000	43,540
Miscellaneous			
Home Delivered Meals	53,000	33,000	34,055
Reimburse - H/S Youth Officer	76,500	76,500	46,928
Mount Prospect Library Cont.	23,500	23,500	11,047
Shared Cost - Sidewalk	13,000	13,000	10,380
Shared Cost - Tree Replacement	66,000	16,000	12,132
Reimburse - Village Property	30,000	42,000	45,021
Other Reimbursements	34,000	37,000	36,393
Human Services Revenue	36,000	26,000	25,862
Fire and Police Reports	8,000	8,000	5,477
Animal Release Fees	1,000	1,000	510
Subpoena Fees	4,000	4,000	856
Advertising Revenue	10,000	10,000	9,750
Other Revenue	45,000	164,000	176,466
Total Miscellaneous	400,000	454,000	414,877
Total Revenues	\$ 40,691,100	\$ 40,792,600	\$ 40,712,324

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government			
Public Representation Division	\$ 126,410	\$ 163,180	\$ 155,765
Village Manager's Office	2,518,951	2,538,781	2,451,642
Television Services Division	202,049	204,049	188,258
Village Clerk's Office	208,643	211,493	203,020
Finance Department	1,612,713	1,568,213	1,571,136
Community Development - Administration	661,795	685,595	625,171
Benefit Payments	46,600	46,600	45,724
Total General Government	5,377,161	5,417,911	5,240,716
Public Safety			
Community Development - Code Enforcement	912,912	931,412	909,852
Police Department	15,026,469	14,708,164	14,512,406
Fire and Emergency Protection Department	11,478,577	11,659,077	11,443,146
Total Public Safety	27,417,958	27,298,653	26,865,404
Highways and Streets			
Public Works Department	6,082,602	6,084,102	5,925,170
Health			
Community Development - Health	128,093	129,093	125,512
Welfare			
Human Services Department	1,150,584	1,140,969	1,082,552
Community Development - Housing	529,946	528,546	491,335
Total Welfare	1,680,530	1,669,515	1,573,887
Culture and Recreation			
Community and Civic Services	387,756	361,756	313,125
Total Expenditures	\$ 41,074,100	\$ 40,961,030	\$ 40,043,814

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government			
Public Representation Division			
Mayor and Board of Trustees			
Personal Services	\$ 30,983	\$ 30,983	\$ 30,984
Employee Benefits	5,070	5,070	4,937
Other Employee Costs	4,400	4,400	2,372
Contractual Services	75,853	112,623	110,670
Utilities	455	455	282
Commodities and Supplies	3,500	3,500	1,821
	<u>120,261</u>	<u>157,031</u>	<u>151,066</u>
Advisory Boards and Commissions			
Personal Services	3,328	3,328	3,364
Employee Benefits	1,221	1,221	1,160
Contractual Services	1,000	1,000	175
Commodities and Supplies	600	600	-
	<u>6,149</u>	<u>6,149</u>	<u>4,699</u>
Total Public Representation Division	<u>126,410</u>	<u>163,180</u>	<u>155,765</u>
Village Manager's Office			
Administration and Support			
Personal Services	397,709	397,709	401,958
Employee Benefits	116,215	110,445	112,957
Other Employee Costs	46,050	46,050	41,877
Contractual Services	4,228	4,228	3,142
Utilities	4,277	4,277	2,785
Commodities and Supplies	6,450	6,450	5,038
Capital Expenditures	300	300	220
	<u>575,229</u>	<u>569,459</u>	<u>567,977</u>
Legal Services			
Contractual Services	<u>538,250</u>	<u>538,250</u>	<u>603,069</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Manager's Office - Continued			
Human Resources			
Personal Services	\$ 170,230	\$ 170,230	\$ 171,812
Employee Benefits	57,001	54,501	54,097
Other Employee Costs	19,700	25,700	19,985
Contractual Services	17,050	17,050	10,582
Commodities and Supplies	900	900	324
Capital Expenditures	300	300	-
	<u>265,181</u>	<u>268,681</u>	<u>256,800</u>
Information Technology			
Personal Services	342,623	342,623	339,853
Employee Benefits	124,298	118,298	117,950
Other Employee Costs	8,000	12,100	10,456
Contractual Services	390,772	390,772	296,220
Utilities	3,850	3,850	3,876
Commodities and Supplies	4,150	4,150	3,296
Capital Expenditures	18,500	18,500	16,346
	<u>892,193</u>	<u>890,293</u>	<u>787,997</u>
Public Information			
Personal Services	62,373	62,373	61,445
Employee Benefits	23,701	22,701	22,297
Other Employee Costs	2,850	2,850	1,505
Contractual Services	155,000	180,000	147,299
Utilities	474	474	274
Commodities and Supplies	3,700	3,700	2,979
	<u>248,098</u>	<u>272,098</u>	<u>235,799</u>
Total Village Manager's Office	<u>2,518,951</u>	<u>2,538,781</u>	<u>2,451,642</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Television Services Division			
Personal Services	\$ 111,894	\$ 113,894	\$ 110,344
Employee Benefits	44,177	44,177	41,872
Other Employee Costs	3,000	3,000	5,333
Contractual Services	27,378	27,378	16,023
Utilities	1,600	1,600	1,864
Commodities and Supplies	5,500	5,500	5,078
Capital Expenditures	8,500	8,500	7,744
Total Television Services Division	202,049	204,049	188,258
Village Clerk's Office			
Administration and Support			
Personal Services	122,304	122,304	127,771
Employee Benefits	47,646	45,646	46,649
Other Employee Costs	5,985	8,585	8,301
Contractual Services	29,679	31,929	18,561
Utilities	1,549	1,549	932
Commodities and Supplies	1,480	1,480	806
Total Village Clerk's Office	208,643	211,493	203,020
Finance Department			
Administration and Support			
Personal Services	144,174	144,174	145,989
Employee Benefits	44,193	42,693	42,088
Other Employee Costs	10,150	10,150	5,312
Contractual Services	138,238	118,238	134,195
Utilities	4,900	4,900	4,777
Commodities and Supplies	17,765	17,765	12,992
Capital Expenditures	400	400	113
	359,820	338,320	345,466

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance Department - Continued			
Accounting			
Personal Services	\$ 343,383	\$ 343,383	\$ 348,196
Employee Benefits	139,805	132,305	132,104
Contractual Services	4,525	4,525	4,481
Commodities and Supplies	4,080	4,080	2,037
	<u>491,793</u>	<u>484,293</u>	<u>486,818</u>
Insurance			
Personal Services	59,499	59,499	60,464
Employee Benefits	19,662	19,662	18,873
Insurance	232,711	214,211	232,711
	<u>311,872</u>	<u>293,372</u>	<u>312,048</u>
Customer Service			
Personal Services	270,526	270,526	255,242
Employee Benefits	101,521	96,521	93,315
Contractual Services	38,450	46,450	42,757
Commodities and Supplies	10,315	10,315	7,252
	<u>420,812</u>	<u>423,812</u>	<u>398,566</u>
Cash Management			
Personal Services	21,475	21,475	21,690
Employee Benefits	6,941	6,941	6,548
	<u>28,416</u>	<u>28,416</u>	<u>28,238</u>
Total Finance Department	<u>1,612,713</u>	<u>1,568,213</u>	<u>1,571,136</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Administration			
Administration and Support			
Personal Services	\$ 174,956	\$ 174,956	\$ 176,907
Employee Benefits	67,788	66,288	65,996
Other Employee Costs	4,950	4,950	4,862
Contractual Services	10,000	12,000	11,357
Utilities	2,892	2,892	2,237
Commodities and Supplies	1,010	1,010	773
	<u>261,596</u>	<u>262,096</u>	<u>262,132</u>
Planning and Zoning			
Personal Services	168,853	168,853	169,490
Employee Benefits	69,021	65,521	63,476
Other Employee Costs	4,987	4,987	4,447
Contractual Services	58,012	84,812	33,980
Utilities	1,955	1,955	1,398
Commodities and Supplies	3,488	3,488	1,374
	<u>306,316</u>	<u>329,616</u>	<u>274,165</u>
Economic Development			
Personal Services	56,452	56,452	55,254
Employee Benefits	15,931	15,931	15,562
Other Employee Costs	1,500	1,500	915
Contractual Services	20,000	20,000	17,143
	<u>93,883</u>	<u>93,883</u>	<u>88,874</u>
Total Community Development - Administration	<u>661,795</u>	<u>685,595</u>	<u>625,171</u>
Benefit Payments			
Contractual Services	46,600	46,600	45,724
Total General Government	<u>5,377,161</u>	<u>5,417,911</u>	<u>5,240,716</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety			
Community Development - Code Enforcement			
Building Inspection			
Personal Services	\$ 568,730	\$ 568,730	\$ 573,065
Employee Benefits	223,735	216,735	213,950
Other Employee Costs	16,578	16,578	7,447
Contractual Services	86,253	111,753	103,052
Utilities	8,086	8,086	7,602
Commodities and Supplies	9,530	9,530	4,736
Total Community Development - Code Enforcement	912,912	931,412	909,852
Police Department			
Administration and Support			
Personal Services	895,621	895,621	910,145
Employee Benefits	2,684,296	2,651,296	2,685,621
Other Employee Costs	263,813	311,313	330,944
Contractual Services	59,898	59,898	38,495
Utilities	33,160	33,160	36,244
Commodities and Supplies	21,220	21,220	14,418
Capital Expenditures	600	600	-
Total Police Department	3,958,608	3,973,108	4,015,867
Patrol and Traffic Enforcement			
Personal Services	7,063,600	6,813,600	6,586,703
Employee Benefits	1,247,765	1,147,765	1,131,311
Other Employee Costs	57,500	65,500	64,416
Contractual Services	499,800	499,800	513,455
Commodities and Supplies	64,250	72,250	61,692
Capital Expenditures	11,350	11,350	7,344
Total Patrol and Traffic Enforcement	8,944,265	8,610,265	8,364,921

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Crime Prevention and Public Services			
Personal Services	\$ 204,060	\$ 205,060	\$ 209,435
Employee Benefits	36,905	34,405	33,767
Other Employee Costs	5,300	5,300	2,961
Contractual Services	3,800	8,800	7,140
Commodities and Supplies	10,150	21,845	11,954
	<u>260,215</u>	<u>275,410</u>	<u>265,257</u>
Investigative and Juvenile			
Personal Services	1,103,050	1,103,050	1,134,061
Employee Benefits	182,556	168,556	169,422
Contractual Services	25,700	25,700	20,824
Commodities and Supplies	4,550	4,550	3,141
Capital Expenditures	900	900	330
	<u>1,316,756</u>	<u>1,302,756</u>	<u>1,327,778</u>
Crossing Guards			
Personal Services	29,090	29,090	30,409
Employee Benefits	2,240	2,240	2,326
Commodities and Supplies	150	150	148
	<u>31,480</u>	<u>31,480</u>	<u>32,883</u>
Equipment Maintenance			
Contractual Services	491,345	491,345	482,256
Commodities and Supplies	15,300	15,300	14,989
Capital Expenditures	8,500	8,500	8,455
	<u>515,145</u>	<u>515,145</u>	<u>505,700</u>
Total Police Department	<u>15,026,469</u>	<u>14,708,164</u>	<u>14,512,406</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire and Emergency Protection Department			
Administration and Support			
Personal Services	\$ 553,692	\$ 553,692	\$ 558,092
Employee Benefits	2,215,883	2,193,883	2,218,587
Other Employee Costs	97,250	304,650	348,181
Contractual Services	43,200	44,425	26,341
Commodities and Supplies	8,000	8,000	7,925
Capital Expenditures	15,000	15,000	4,507
	<u>2,933,025</u>	<u>3,119,650</u>	<u>3,163,633</u>
Fire Department Operations			
Personal Services	6,338,063	6,413,063	6,365,099
Employee Benefits	960,576	875,576	873,820
Other Employee Costs	49,800	48,800	39,028
Contractual Services	142,355	145,355	144,695
Commodities and Supplies	25,595	26,595	22,567
Capital Expenditures	58,580	64,830	52,955
	<u>7,574,969</u>	<u>7,574,219</u>	<u>7,498,164</u>
Fire Training Academy			
Personal Services	9,000	9,000	2,237
Employee Benefits	131	131	32
Commodities and Supplies	5,000	5,000	222
	<u>14,131</u>	<u>14,131</u>	<u>2,491</u>
Fire Prevention			
Personal Services	435,720	435,720	343,038
Employee Benefits	152,050	145,050	129,527
Other Employee Costs	6,455	6,455	3,158
Contractual Services	1,400	1,400	1,349
Commodities and Supplies	7,800	8,800	6,091
Capital Expenditures	300	300	-
	<u>603,725</u>	<u>597,725</u>	<u>483,163</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire and Emergency Protection Department - Continued			
Communications			
Contractual Services	\$ 11,300	\$ 7,900	\$ 5,239
Utilities	38,311	38,311	34,513
Commodities and Supplies	3,500	3,500	3,691
Capital Expenditures	2,500	2,500	1,970
	<u>55,611</u>	<u>52,211</u>	<u>45,413</u>
Equipment Maintenance			
Contractual Services	197,700	197,950	197,825
Capital Expenditures	3,800	3,800	51
	<u>201,500</u>	<u>201,750</u>	<u>197,876</u>
Emergency Preparedness			
Personal Services	20,352	20,352	4,442
Employee Benefits	3,549	3,549	129
Other Employee Costs	2,000	1,000	-
Contractual Services	15,710	15,710	2,552
Commodities and Supplies	20,825	20,600	10,510
	<u>62,436</u>	<u>61,211</u>	<u>17,633</u>
Paid on Call			
Personal Services	18,340	23,340	22,754
Employee Benefits	1,405	1,405	1,518
Other Employee Costs	12,375	12,375	9,557
Capital Expenditures	1,060	1,060	944
	<u>33,180</u>	<u>38,180</u>	<u>34,773</u>
Total Fire and Emergency Protection Department	<u>11,478,577</u>	<u>11,659,077</u>	<u>11,443,146</u>
Total Public Safety	<u>27,417,958</u>	<u>27,298,653</u>	<u>26,865,404</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Highways and Streets			
Public Works Department			
Administration and Support			
Personal Services	\$ 224,819	\$ 224,819	\$ 230,069
Employee Benefits	149,319	144,819	146,437
Other Employee Costs	35,302	40,302	54,070
Contractual Services	538,489	538,489	537,196
Utilities	19,470	19,470	16,955
Commodities and Supplies	15,169	15,169	13,825
Capital Expenditures	255	255	-
Total Administration and Support	982,823	983,323	998,552
Streets and Buildings Division			
Administration			
Personal Services	109,374	109,374	109,929
Employee Benefits	34,492	34,492	36,204
Other Employee Costs	18,000	18,000	77,208
	161,866	161,866	223,341
Maintenance - Public Buildings			
Personal Services	411,298	411,298	414,632
Employee Benefits	135,844	129,844	131,090
Contractual Services	286,729	300,729	250,597
Utilities	73,193	43,193	46,608
Commodities and Supplies	99,341	92,841	82,516
Other Expenditures	4,000	4,000	-
	1,010,405	981,905	925,443
Street Maintenance			
Personal Services	183,216	183,216	159,945
Employee Benefits	53,191	51,191	47,578
Contractual Services	18,185	18,185	9,584
Commodities and Supplies	24,888	24,888	17,844
Infrastructure	40,000	40,000	28,851
	319,480	317,480	263,802

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Streets and Buildings Division - Continued			
Snow Removal			
Personal Services	\$ 304,848	\$ 304,848	\$ 370,937
Employee Benefits	71,105	69,105	73,155
Contractual Services	80,576	133,576	130,768
Commodities and Supplies	12,855	12,855	10,099
	<u>469,384</u>	<u>520,384</u>	<u>584,959</u>
Storm Sewer/Basin Maintenance			
Personal Services	61,293	61,293	55,630
Employee Benefits	32,463	30,463	29,325
Contractual Services	11,670	11,670	1,000
Commodities and Supplies	7,231	7,231	5,051
	<u>112,657</u>	<u>110,657</u>	<u>91,006</u>
Maintenance of State Highways			
Personal Services	24,995	24,995	25,649
Employee Benefits	8,212	8,212	7,953
Contractual Services	11,742	11,742	6,203
Commodities and Supplies	25,445	25,445	23,275
	<u>70,394</u>	<u>70,394</u>	<u>63,080</u>
Traffic Sign Maintenance			
Personal Services	81,721	81,721	78,766
Employee Benefits	26,446	26,446	24,867
Commodities and Supplies	13,877	13,877	13,485
	<u>122,044</u>	<u>122,044</u>	<u>117,118</u>
Total Streets and Buildings Division	<u>2,266,230</u>	<u>2,284,730</u>	<u>2,268,749</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Forestry Division			
Administration and Support			
Personal Services	\$ 176,556	\$ 176,556	\$ 177,945
Employee Benefits	56,707	54,707	54,105
Other Employee Costs	4,500	4,500	2,772
	<u>237,763</u>	<u>235,763</u>	<u>234,822</u>
Maintenance of Grounds			
Personal Services	261,279	261,279	257,017
Employee Benefits	81,900	78,400	77,616
Contractual Services	121,486	121,486	118,445
Commodities and Supplies	8,656	8,656	6,386
	<u>473,321</u>	<u>469,821</u>	<u>459,464</u>
Forestry Program			
Personal Services	295,107	295,107	296,704
Employee Benefits	99,671	95,671	95,815
Other Employee Costs	3,662	3,662	3,662
Contractual Services	570,196	574,196	456,366
Commodities and Supplies	10,702	10,702	7,971
	<u>979,338</u>	<u>979,338</u>	<u>860,518</u>
Public Grounds Beautification			
Personal Services	24,137	24,137	24,035
Employee Benefits	8,052	8,052	7,689
Contractual Services	7,630	3,630	3,432
Commodities and Supplies	32,191	32,191	29,287
	<u>72,010</u>	<u>68,010</u>	<u>64,443</u>
Total Forestry Division	<u>1,762,432</u>	<u>1,752,932</u>	<u>1,619,247</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Engineering Division			
Engineering Services			
Personal Services	\$ 585,672	\$ 585,672	\$ 579,756
Employee Benefits	179,361	172,361	171,353
Other Employee Costs	17,552	17,552	20,085
Contractual Services	39,619	39,619	25,434
Commodities and Supplies	7,105	7,105	6,044
Capital Expenditures	2,184	2,184	300
	<u>831,493</u>	<u>824,493</u>	<u>802,972</u>
Traffic Control and Street Lighting			
Personal Services	101,728	101,728	103,180
Employee Benefits	31,839	30,839	30,488
Contractual Services	5,307	5,307	694
Utilities	75,000	75,000	79,071
Commodities and Supplies	25,750	25,750	22,217
	<u>239,624</u>	<u>238,624</u>	<u>235,650</u>
Total Engineering Division	<u>1,071,117</u>	<u>1,063,117</u>	<u>1,038,622</u>
Total Highways and Streets	<u>6,082,602</u>	<u>6,084,102</u>	<u>5,925,170</u>
Health			
Community Development - Health			
Health Inspections			
Personal Services	83,190	84,190	83,947
Employee Benefits	30,857	28,857	29,610
Other Employee Costs	3,400	5,400	5,104
Contractual Services	6,296	6,296	5,267
Utilities	1,837	1,837	746
Commodities and Supplies	2,513	2,513	838
Total Health	<u>128,093</u>	<u>129,093</u>	<u>125,512</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Welfare			
Human Services Department			
Administration and Support			
Personal Services	\$ 94,323	\$ 94,323	\$ 95,180
Employee Benefits	42,758	41,258	41,207
Other Employee Costs	8,150	10,850	8,890
Contractual Services	16,425	17,925	8,631
Utilities	11,054	11,054	8,047
Commodities and Supplies	6,480	8,665	2,468
Capital Expenditures	700	700	-
	<u>179,890</u>	<u>184,775</u>	<u>164,423</u>
Social Services			
Personal Services	288,183	288,183	287,518
Employee Benefits	97,780	92,280	93,573
Other Employee Costs	2,750	2,750	2,234
Commodities and Supplies	1,000	1,000	956
	<u>389,713</u>	<u>384,213</u>	<u>384,281</u>
Nursing/Health Services			
Personal Services	117,374	119,374	120,198
Employee Benefits	39,064	37,564	37,242
Other Employee Costs	7,801	7,801	639
Contractual Services	52,400	37,400	33,469
Commodities and Supplies	22,450	22,450	11,625
	<u>239,089</u>	<u>224,589</u>	<u>203,173</u>
Senior Citizen Leisure Activities			
Personal Services	19,570	19,570	18,872
Employee Benefits	8,401	8,401	7,859
Contractual Services	7,500	4,000	4,262
Commodities and Supplies	350	350	115
	<u>35,821</u>	<u>32,321</u>	<u>31,108</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Welfare - Continued			
Human Services Department - Continued			
Community Connections Center			
Personal Services	\$ 160,862	\$ 171,862	\$ 175,331
Employee Benefits	53,714	51,714	53,685
Other Employee Costs	2,850	2,850	917
Contractual Services	76,343	76,343	61,641
Utilities	3,702	3,702	3,321
Commodities and Supplies	6,600	6,600	4,672
Capital Expenditures	2,000	2,000	-
	<u>306,071</u>	<u>315,071</u>	<u>299,567</u>
Total Human Services Department	<u>1,150,584</u>	<u>1,140,969</u>	<u>1,082,552</u>
Community Development - Housing			
Housing Inspections			
Personal Services	343,045	344,045	326,917
Employee Benefits	131,813	125,313	122,851
Other Employee Costs	5,631	5,631	2,344
Contractual Services	37,356	41,456	35,981
Utilities	2,901	2,901	746
Commodities and Supplies	5,000	5,000	2,496
Capital Expenditures	4,200	4,200	-
	<u>529,946</u>	<u>528,546</u>	<u>491,335</u>
Total Community Development - Housing	<u>529,946</u>	<u>528,546</u>	<u>491,335</u>
Total Welfare	<u>1,680,530</u>	<u>1,669,515</u>	<u>1,573,887</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Community and Civic Services			
Community Groups and Miscellaneous			
Contractual Services	\$ 128,400	\$ 106,900	\$ 92,755
Other Expenditures	8,000	8,000	6,765
	<u>136,400</u>	<u>114,900</u>	<u>99,520</u>
4th of July and Civic Events			
Personal Services	91,054	101,054	100,705
Employee Benefits	15,873	15,873	14,331
Contractual Services	25,995	25,995	21,925
Commodities and Supplies	34,330	39,830	33,010
	<u>167,252</u>	<u>182,752</u>	<u>169,971</u>
Holiday Decorations			
Personal Services	7,797	7,797	6,783
Employee Benefits	2,643	2,643	2,356
Contractual Services	53,390	33,390	20,933
Commodities and Supplies	17,500	17,500	10,868
	<u>81,330</u>	<u>61,330</u>	<u>40,940</u>
Blood Drive Program			
Personal Services	1,880	1,880	1,843
Employee Benefits	144	144	141
Commodities and Supplies	750	750	710
	<u>2,774</u>	<u>2,774</u>	<u>2,694</u>
Total Culture and Recreation	<u>387,756</u>	<u>361,756</u>	<u>313,125</u>
Total Expenditures	<u>\$ 41,074,100</u>	<u>\$ 40,961,030</u>	<u>\$ 40,043,814</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Refuse Disposal - Special Revenue Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Taxes			
Property - Levy	\$ 1,731,000	\$ 1,733,000	\$ 1,743,268
Charges for Services			
Single-Family Service Charges	966,000	966,000	974,384
Multi-Family Service Charges	939,000	939,000	921,741
Single-Family Penalties	10,000	15,000	14,140
Multi-Family Penalties	10,000	15,000	13,685
Refuse Stickers	225,000	231,000	203,003
Recycling Bins	1,000	1,000	525
Total Charges for Services	2,151,000	2,167,000	2,127,478
Interest	22,500	1,500	852
Miscellaneous	134,000	144,000	137,522
Total Revenues	\$ 4,038,500	\$ 4,045,500	\$ 4,009,120

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property - Levy	\$ 1,693,000	\$ 1,496,000	\$ 1,505,420
Other Taxes	1,140,708	1,100,000	1,025,972
Interest	4,000	4,700	826
Miscellaneous			
Reimbursements	-	44,501	44,501
Total Revenues	<u>2,837,708</u>	<u>2,645,201</u>	<u>2,576,719</u>
Expenditures			
Debt Service			
Principal Retirement	1,271,204	1,046,204	1,046,203
Interest and Fiscal Charges	1,054,676	1,124,209	1,124,236
Total Expenditures	<u>2,325,880</u>	<u>2,170,413</u>	<u>2,170,439</u>
Net Change in Fund Balance	<u>\$ 511,828</u>	<u>\$ 474,788</u>	406,280
Fund Balance - Beginning			<u>(485,124)</u>
Fund Balance - Ending			<u>\$ (78,844)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Series 2009 Construction - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 150,000	\$ 150,000	\$ 45,300
Interest	1,000	41,000	5,795
Total Revenues	<u>151,000</u>	<u>191,000</u>	<u>51,095</u>
Expenditures			
Capital Outlay			
Village Facilities	845,693	2,845,693	2,874,456
Equipment	76,892	1,342,940	512,378
Total Expenditures	<u>922,585</u>	<u>4,188,633</u>	<u>3,386,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(771,585)	(3,997,633)	(3,335,739)
Other Financing Sources			
Transfers In	<u>973,505</u>	<u>861,000</u>	<u>450,000</u>
Net Change in Fund Balance	<u>\$ 201,920</u>	<u>\$ (3,136,633)</u>	<u>(2,885,739)</u>
Fund Balance - Beginning			<u>3,043,571</u>
Fund Balance - Ending			<u>\$ 157,832</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Series 2009 Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Capital Outlay			
Village Facilities			
Station 14 Construction	\$ 770,713	\$ 2,170,713	\$ 2,435,478
EOC Construction	-	150,000	69,779
PW Expansion Construction	-	400,000	254,112
Other Professional Services	74,980	124,980	115,087
Total Village Facilities	845,693	2,845,693	2,874,456
Equipment			
Office Equipment	-	151,000	1,000
Station 14 Furnishings	-	45,000	42,592
Other Equipment	76,892	813,940	205,491
EOC Furnishings	-	139,000	136,285
PW Furnishings	-	194,000	127,010
Total Equipment	76,892	1,342,940	512,378
Total Expenditures	\$ 922,585	\$ 4,188,633	\$ 3,386,834

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund: The Motor Fuel Tax Fund is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

Community Development Block Grant (CDBG) Fund: The Community Development Block Grant Fund is used to account for the revenue and expenditures associated with the CDBG. The grant is provided by the U.S. Department of Housing and Urban Development to develop urban communities by expanding economic opportunities and providing decent housing and a suitable living environment. The beneficiaries of CDBG must be individuals with low and/or moderate incomes.

Asset Seizure Fund: The Asset Seizure Fund is used to account for the revenues and expenditures associated with the asset seizure program the Village participates in. Funds received are restricted for use in the fight against drugs.

DEA Share Funds Fund: The DEA Share Funds Fund is used to account for the revenues and expenditures associated with the Federal DEA Shared Funds program. The use of funds is restricted for use in the fight against drugs.

DUI Fines Fund: The DUI Fines Fund is used to account for the revenues and expenditures with the Cook County DUI fine program. Use of funds is restricted to fight against drunk driving.

Foreign Fire Insurance Fund: The Foreign Fire Insurance Fund is used to account for the revenues derived from the Foreign Fire Insurance Tax and disbursement of these funds for the benefit, use and maintenance related to the Fire Department.

NONMAJOR GOVERNMENTAL FUNDS – CONTINUED

CAPITAL PROJECTS FUNDS

Capital Improvement Fund: The Capital Improvement Fund is used to account for the resources to provide for certain capital improvements and the replacement of Village equipment. Financing is being provided by transfers from other funds and interest income.

Downtown Redevelopment Construction Fund: The Downtown Redevelopment Construction fund is used to account for the resources to acquire property and construct certain improvements in the Downtown Redevelopment Tax Incremental Financing District No. 1. Financing is being provided by the sale of general obligation, the sale of property and the incremental property taxes. Other monies are being provided by rental income and interest income.

Flood Control Construction Fund: The Flood Control Construction Fund is used to account for the resources to implement flood control projects throughout the Village. Financing is being provided by the sale of general obligation bonds, grants, interest income and by installment loans from the Illinois Environmental Protection Agency (IEPA).

Street Improvement Construction Fund: The Street Improvement Construction Fund is used to account for the resources to reconstruct Village streets. Financing is being provided by the sale of general obligation bonds, various taxes, licenses, permits, fees and interest income.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2010**

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 258,648	\$ 3,635,004	\$ 3,893,652
Receivables - Net of Allowances			
Property Taxes	-	277,007	277,007
Other Taxes	-	659,068	659,068
Other	9,292	1,098,255	1,107,547
Due from Other Governments	408,074	21,750	429,824
Due from Other Funds	-	218,366	218,366
Prepays	1,048	-	1,048
Total Assets	<u>\$ 677,062</u>	<u>\$ 5,909,450</u>	<u>\$ 6,586,512</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 114,259	\$ 1,368,753	\$ 1,483,012
Accrued Payroll	2,912	-	2,912
Due to Other Funds	306,177	167,225	473,402
Unearned/Deferred Revenues	249,618	-	249,618
Total Liabilities	<u>672,966</u>	<u>1,535,978</u>	<u>2,208,944</u>
Fund Balances			
Reserved - Prepays	1,048	-	1,048
Reserved - Public Safety	233,973	-	233,973
Reserved - Capital Projects	-	1,682,786	1,682,786
Unreserved	(230,925)	2,690,686	2,459,761
Total Fund Balances	<u>4,096</u>	<u>4,373,472</u>	<u>4,377,568</u>
Total Liabilities and Fund Balances	<u>\$ 677,062</u>	<u>\$ 5,909,450</u>	<u>\$ 6,586,512</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended December 31, 2010

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ 55,790	\$ 4,757,282	\$ 4,813,072
Intergovernmental	2,129,256	549,358	2,678,614
Charges for Services	-	7,223	7,223
Interest	1,595	2,849	4,444
Miscellaneous	109,631	74,618	184,249
Total Revenues	<u>2,296,272</u>	<u>5,391,330</u>	<u>7,687,602</u>
Expenditures			
Public Safety	69,681	-	69,681
Highways and Streets	1,525,653	-	1,525,653
Welfare	465,918	-	465,918
Capital Outlay	-	4,352,756	4,352,756
Total Expenditures	<u>2,061,252</u>	<u>4,352,756</u>	<u>6,414,008</u>
Net Change in Fund Balances	235,020	1,038,574	1,273,594
Fund Balances - Beginning	<u>(230,924)</u>	<u>3,334,898</u>	<u>3,103,974</u>
Fund Balances - Ending	<u>\$ 4,096</u>	<u>\$ 4,373,472</u>	<u>\$ 4,377,568</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2010

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet
December 31, 2010

	Motor Fuel Tax	Community Development Block Grant
ASSETS		
Cash and Investments	\$ 19,842	\$ 1,272
Receivables - Net of Allowances		
Other	6,090	-
Due from Other Governments	121,173	286,901
Prepays	-	631
	<hr/>	<hr/>
Total Assets	<u>\$ 147,105</u>	<u>\$ 288,804</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 77,399	\$ 30,097
Accrued Payroll	-	2,912
Due to Other Funds	300,000	6,177
Unearned/Deferred Revenues	-	249,618
Total Liabilities	<hr/> 377,399	<hr/> 288,804
Fund Balances		
Reserved - Prepays	-	631
Reserved - Public Safety	-	-
Unreserved	(230,294)	(631)
Total Fund Balances	<hr/> (230,294)	<hr/> -
	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 147,105</u>	<u>\$ 288,804</u>

Asset Seizure	DEA Shared Funds	DUI Fines	Foreign Fire Insurance	Totals
\$ 60,205	\$ 16,749	\$ 38,301	\$ 122,279	\$ 258,648
-	-	3,001	201	9,292
-	-	-	-	408,074
-	-	-	417	1,048
<u>\$ 60,205</u>	<u>\$ 16,749</u>	<u>\$ 41,302</u>	<u>\$ 122,897</u>	<u>\$ 677,062</u>
\$ -	\$ -	\$ -	\$ 6,763	\$ 114,259
-	-	-	-	2,912
-	-	-	-	306,177
-	-	-	-	249,618
-	-	-	6,763	672,966
-	-	-	417	1,048
60,205	16,749	41,302	115,717	233,973
-	-	-	-	(230,925)
<u>60,205</u>	<u>16,749</u>	<u>41,302</u>	<u>116,134</u>	<u>4,096</u>
<u>\$ 60,205</u>	<u>\$ 16,749</u>	<u>\$ 41,302</u>	<u>\$ 122,897</u>	<u>\$ 677,062</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2010**

	Motor Fuel Tax	Community Development Block Grant
Revenues		
Taxes	\$ -	\$ -
Intergovernmental	1,698,798	400,106
Interest	1,476	-
Miscellaneous	43,819	65,812
Total Revenues	<u>1,744,093</u>	<u>465,918</u>
Expenditures		
Current		
Public Safety	-	-
Highways and Streets	1,525,653	-
Welfare	-	465,918
Total Expenditures	<u>1,525,653</u>	<u>465,918</u>
Net Change in Fund Balances	218,440	-
Fund Balances - Beginning	<u>(448,734)</u>	-
Fund Balances - Ending	<u>\$ (230,294)</u>	<u>\$ -</u>

Asset Seizure	DEA Shared Funds	DUI Fines	Foreign Fire Insurance	Totals
\$ -	\$ -	\$ -	\$ 55,790	\$ 55,790
15,865	-	14,487	-	2,129,256
47	54	5	13	1,595
-	-	-	-	109,631
15,912	54	14,492	55,803	2,296,272
6,118	2,514	343	60,706	69,681
-	-	-	-	1,525,653
-	-	-	-	465,918
6,118	2,514	343	60,706	2,061,252
9,794	(2,460)	14,149	(4,903)	235,020
50,411	19,209	27,153	121,037	(230,924)
\$ 60,205	\$ 16,749	\$ 41,302	\$ 116,134	\$ 4,096

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,445,000	\$ 1,660,000	\$ 1,698,798
Grants	230,000	230,000	-
Interest	1,500	1,500	1,476
Miscellaneous	160,000	168,000	43,819
Total Revenues	<u>1,836,500</u>	<u>2,059,500</u>	1,744,093
Expenditures			
Highway and Streets			
Street Division	<u>1,736,302</u>	<u>1,736,302</u>	1,525,653
Net Change in Fund Balance	<u>\$ 100,198</u>	<u>\$ 323,198</u>	218,440
Fund Balance - Beginning			<u>(448,734)</u>
Fund Balance - Ending			<u>\$ (230,294)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Highway and Streets			
Street Maintenance			
Contractual Services	\$ 99,432	\$ 99,432	\$ 99,432
Snow Removal			
Commodities and Supplies	200,000	200,000	279,720
Traffic Control/Street Lighting			
Contractual Services	86,870	86,870	73,716
Utilities	150,000	150,000	152,785
Infrastructure	280,000	280,000	-
Total Traffic Control/Street Lighting	516,870	516,870	226,501
Street Improvement Projects			
Infrastructure	920,000	920,000	920,000
Total Expenditures	\$ 1,736,302	\$ 1,736,302	\$ 1,525,653

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Community Development Block Grant - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grant - CDBG	\$ 515,447	\$ 615,447	\$ 400,106
Miscellaneous			
Program Income	50,000	70,000	65,812
Total Revenues	<u>565,447</u>	<u>685,447</u>	<u>465,918</u>
Expenditures			
Welfare			
Administration	94,947	94,947	66,839
Community Programs	90,500	90,500	91,896
Accessibility and Neighborhood Improvements	100,000	100,000	83,344
Residential Rehabilitation	280,000	280,000	127,193
CDBG Recovery Act	-	100,000	96,646
Total Expenditures	<u>565,447</u>	<u>665,447</u>	<u>465,918</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 20,000</u>	-
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>\$ -</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Community Development Block Grant - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Welfare			
Administration and Support			
Personal Services	\$ 62,569	\$ 62,569	\$ 43,332
Employee Benefits	23,311	23,311	19,157
Other Employee Costs	1,965	1,965	117
Contractual Services	6,125	6,125	4,139
Commodities and Supplies	977	977	94
Total Administration and Support	94,947	94,947	66,839
Community Programs			
Contractual Services	90,500	90,500	91,896
Accessibility and Neighborhood Improvements			
Capital Expenditures	100,000	100,000	83,344
Residential Rehabilitation			
Personal Services	-	-	9,843
Employee Benefits	-	-	1,657
Contractual Services	10,000	10,000	9,700
Other Expenditures	200,000	200,000	93,430
Capital Expenditures	70,000	70,000	12,563
Total Residential Rehabilitation	280,000	280,000	127,193
CDBG Recovery Act			
Personal Services	-	8,000	7,082
Employee Benefits	-	3,000	1,153
Other Expenditures	-	89,000	88,411
Total CDBG Recovery Act	-	100,000	96,646
Total Expenditures	\$ 565,447	\$ 665,447	\$ 465,918

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Asset Seizure - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Seized Assets	\$ 5,000	\$ 16,000	\$ 15,865
Interest	1,000	1,000	47
Total Revenues	<u>6,000</u>	<u>17,000</u>	<u>15,912</u>
Expenditures			
Public Safety			
Other Employee Costs	1,000	1,000	-
Capital Expenditures	1,000	1,000	6,118
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>6,118</u>
Net Change in Fund Balance	<u>\$ 4,000</u>	<u>\$ 15,000</u>	9,794
Fund Balance - Beginning			<u>50,411</u>
Fund Balance - Ending			<u>\$ 60,205</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DEA Shared Funds - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DEA Shared Funds	\$ 1,000	\$ 1,000	\$ -
Interest	500	500	54
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>54</u>
Expenditures			
Public Safety			
Capital Expenditures	<u>1,000</u>	<u>3,000</u>	<u>2,514</u>
Net Change in Fund Balance	<u>\$ 500</u>	<u>\$ (1,500)</u>	(2,460)
Fund Balance - Beginning			<u>19,209</u>
Fund Balance - Ending			<u>\$ 16,749</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DUI Fines - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DUI Fines	\$ 20,000	\$ 20,000	\$ 14,487
Interest	500	500	5
Total Revenues	<u>20,500</u>	<u>20,500</u>	<u>14,492</u>
Expenditures			
Public Safety			
Patrol and Traffic Enforcement			
Other Employee Costs	500	500	-
Capital Expenditures	1,000	1,000	343
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>343</u>
Net Change in Fund Balance	<u>\$ 19,000</u>	<u>\$ 19,000</u>	14,149
Fund Balance - Beginning			<u>27,153</u>
Fund Balance - Ending			<u>\$ 41,302</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Foreign Fire Insurance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Foreign Fire Insurance Tax	\$ 35,000	\$ 56,000	\$ 55,790
Interest	500	500	13
Total Revenues	<u>35,500</u>	<u>56,500</u>	<u>55,803</u>
Expenditures			
Public Safety			
Insurance	500	500	123
Contractual Services	2,000	9,500	9,029
Commodities and Supplies	3,000	25,500	25,331
Equipment	10,000	20,000	26,223
Total Expenditures	<u>15,500</u>	<u>55,500</u>	<u>60,706</u>
Net Change in Fund Balance	<u>\$ 20,000</u>	<u>\$ 1,000</u>	(4,903)
Fund Balance - Beginning			<u>121,037</u>
Fund Balance - Ending			<u>\$ 116,134</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Balance Sheet
December 31, 2010**

	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
ASSETS					
Cash and Investments	\$ 959,255	\$ 2,564,574	\$ -	\$ 111,175	\$ 3,635,004
Receivables - Net of Allowances					
Property Taxes	-	277,007	-	-	277,007
Other Taxes	289,405	-	26,590	343,073	659,068
Other	-	1,098,255	-	-	1,098,255
Due from Other Governments	-	-	-	21,750	21,750
Due from Other Funds	218,366	-	-	-	218,366
Total Assets	\$ 1,467,026	\$ 3,939,836	\$ 26,590	\$ 475,998	\$ 5,909,450
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 189,899	\$ 1,123,129	\$ 13,520	\$ 42,205	\$ 1,368,753
Due to Other Funds	28,134	-	139,091	-	167,225
Total Liabilities	218,033	1,123,129	152,611	42,205	1,535,978
Fund Balances					
Reserved - Capital Projects	1,248,993	-	-	433,793	1,682,786
Unreserved	-	2,816,707	(126,021)	-	2,690,686
Total Fund Balances	1,248,993	2,816,707	(126,021)	433,793	4,373,472
Total Liabilities and Fund Balances	\$ 1,467,026	\$ 3,939,836	\$ 26,590	\$ 475,998	\$ 5,909,450

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2010**

	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
Revenues					
Taxes					
Property Taxes	\$ -	\$ 2,197,631	\$ -	\$ -	\$ 2,197,631
Other	1,030,732	-	94,702	1,434,217	2,559,651
Charges for Services	-	-	7,223	-	7,223
Intergovernmental	114,358	-	-	435,000	549,358
Interest	846	1,933	-	70	2,849
Miscellaneous	11,652	-	57,079	5,887	74,618
Total Revenues	1,157,588	2,199,564	159,004	1,875,174	5,391,330
Expenditures					
Capital Outlay	1,246,532	1,593,951	39,692	1,472,581	4,352,756
Net Change in Fund Balances	(88,944)	605,613	119,312	402,593	1,038,574
Fund Balances - Beginning	1,337,937	2,211,094	(245,333)	31,200	3,334,898
Fund Balances - Ending	\$ 1,248,993	\$ 2,816,707	\$ (126,021)	\$ 433,793	\$ 4,373,472

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes			
Home Rules Sales Tax	\$ 1,146,000	\$ 1,000,000	\$ 1,030,732
Intergovernmental			
Grants	264,000	394,000	114,358
Interest	11,500	1,500	846
Miscellaneous			
Donations	-	10,000	11,652
Total Revenues	<u>1,421,500</u>	<u>1,405,500</u>	<u>1,157,588</u>
Expenditures			
Capital Outlay			
Village Facilities	135,000	289,290	201,611
Equipment	1,200,350	2,052,710	952,793
Public Improvements	-	26,065	-
Infrastructure	379,000	299,700	92,128
Total Expenditures	<u>1,714,350</u>	<u>2,667,765</u>	<u>1,246,532</u>
Net Change in Fund Balance	<u>\$ (292,850)</u>	<u>\$ (1,262,265)</u>	(88,944)
Fund Balance - Beginning			<u>1,337,937</u>
Fund Balance - Ending			<u>\$ 1,248,993</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Capital Outlay			
Village Facilities			
Other Public Buildings	\$ 135,000	\$ 241,790	\$ 175,389
Professional Services - Bike Plan EECBG	-	40,000	20,065
Other Professional Services	-	7,500	6,157
Total Village Facilities	135,000	289,290	201,611
Equipment			
Digital Cameras - Park Deck	-	45,000	43,362
Civic Event Sign Replacement	-	35,000	19,538
Wireless Connectivity	119,500	119,500	58,031
Patrol Citation Printing System	-	32,360	27,580
Leak Detection Equipment	136,000	136,000	-
Furniture Replacement	38,000	38,000	29,936
Desktop Operating System	81,000	81,000	77,346
Server Virtualization	13,500	13,500	7,410
Control Room Switcher	28,000	28,000	21,648
MPTV Cable - Bulletin Board	36,350	36,350	20,361
Computer Software	600,000	1,000,000	522,870
Grant Expenditures EECBG	-	90,000	90,418
Livescan Terminals	20,000	20,000	19,810
Emergency Generator	-	250,000	-
Flood Control Detention Pond Improvements	128,000	128,000	14,483
Total Equipment	1,200,350	2,052,710	952,793
Public Improvement			
Corridor Improvements	-	26,065	-
Infrastructure			
Residential Street Lights	10,000	49,700	44,828
Melas/Meadows Park Pedestrian Bridge	80,000	80,000	-
Wolf Road Engineering	150,000	-	-
Kensington Road Turn Lanes	139,000	170,000	47,300
Total Infrastructure	379,000	299,700	92,128
Total Expenditures	\$ 1,714,350	\$ 2,667,765	\$ 1,246,532

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Downtown Redevelopment Construction - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes - Other			
Tax Increment	\$ 2,556,000	\$ 2,591,000	\$ 2,197,631
Interest	11,000	2,000	1,933
Total Revenues	<u>2,567,000</u>	<u>2,593,000</u>	<u>2,199,564</u>
Expenditures			
Capital Outlay			
Public Improvements			
Contractual Services	126,500	57,500	57,775
Public Improvements	2,425,000	2,565,000	1,419,325
Infrastructure	185,000	185,000	116,851
Total Expenditures	<u>2,736,500</u>	<u>2,807,500</u>	<u>1,593,951</u>
Net Change in Fund Balance	<u>\$ (169,500)</u>	<u>\$ (214,500)</u>	605,613
Fund Balance - Beginning			<u>2,211,094</u>
Fund Balance - Ending			<u>\$ 2,816,707</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Downtown Redevelopment Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Contractual Services			
Audit Services	\$ 1,500	\$ 1,500	\$ 2,400
Relocation	50,000	-	-
Other Professional Services	20,000	1,000	375
Streetscape Corridor Maintenance	55,000	55,000	55,000
Total Contractual Services	126,500	57,500	57,775
Public Improvements			
Other Financing Costs	10,000	75,000	222,667
NWE Sales Tax Rebate	92,000	85,000	85,950
Return of Increment Cook County Collector	2,263,000	2,390,000	1,098,255
Façade Program	60,000	15,000	12,453
Total Public Improvements	2,425,000	2,565,000	1,419,325
Infrastructure			
Downtown Streetscape Program	150,000	150,000	81,866
Brick Sidewalk	35,000	35,000	34,985
Total Infrastructure	185,000	185,000	116,851
Total Expenditures	\$ 2,736,500	\$ 2,807,500	\$ 1,593,951

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Flood Control Construction - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes	\$ 105,292	\$ -	\$ 94,702
Charges for Services	45,000	45,000	7,223
Interest	1,000	1,000	-
Miscellaneous	47,500	57,500	57,079
Total Revenues	<u>198,792</u>	<u>103,500</u>	<u>159,004</u>
Expenditures			
Capital Outlay			
Public Improvements			
Infrastructure	145,000	156,275	36,692
Other	5,150	5,150	3,000
Total Expenditures	<u>150,150</u>	<u>161,425</u>	<u>39,692</u>
Net Change in Fund Balance	<u>\$ 48,642</u>	<u>\$ (57,925)</u>	119,312
Fund Balance - Beginning			<u>(245,333)</u>
Fund Balance - Ending			<u>\$ (126,021)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Flood Control Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Infrastructure			
Creek Bank Stabilization	\$ 25,000	\$ 36,275	\$ 10,539
Creek Tree Trimming	25,000	25,000	24,016
Levee 37	50,000	50,000	1,921
Drainage Improvements	45,000	45,000	216
	<u>145,000</u>	<u>156,275</u>	<u>36,692</u>
Other			
Residential Reimbursements	<u>5,150</u>	<u>5,150</u>	<u>3,000</u>
Total Expenditures	<u>\$ 150,150</u>	<u>\$ 161,425</u>	<u>\$ 39,692</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Street Improvement Construction - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Home Rule Sales Tax	\$ 1,246,000	\$ 1,100,000	\$ 1,120,673
Municipal Motor Fuel Tax	260,000	310,000	313,544
Intergovernmental			
EECBG Grant	210,600	210,600	-
IDOT Grant	-	435,000	435,000
Interest	1,000	1,000	70
Miscellaneous	-	6,000	5,887
Total Revenues	<u>1,717,600</u>	<u>2,062,600</u>	<u>1,875,174</u>
Expenditures			
Capital Outlay			
Contractual Services	161,000	110,140	94,784
Infrastructure			
Street Reconstruction	1,240,600	1,900,740	1,377,797
Total Expenditures	<u>1,401,600</u>	<u>2,010,880</u>	<u>1,472,581</u>
Net Change in Fund Balance	<u>\$ 316,000</u>	<u>\$ 51,720</u>	402,593
Fund Balance - Beginning			<u>31,200</u>
Fund Balance - Ending			<u>\$ 433,793</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Water and Sewer Fund: The Water and Sewer Fund is a major fund and is used to account for the activities of the water and sewer operations. The Village operates the sewerage treatment plant, sewerage pumping stations and collection systems and the water distribution system.

Parking System Revenue Fund: The Parking System Revenue Fund is a nonmajor fund and is used to account for the provision of public parking services with fees shared with the commuter railroad. All activities are accounted for including administration, operations, maintenance and collection.

Village Parking System Fund: The Village Parking System Fund is a nonmajor fund and is used to account for the provision of Village-owned public parking services including the Village Hall parking deck and leased commuter spaces. All activities are accounted for including administration, operations, maintenance, financing, related debt service and billing and collection.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 10,597,000	\$ 9,122,000	\$ 8,916,621
Operating Expenses			
Administration and Maintenance	12,523,039	13,218,249	9,047,929
Depreciation	-	-	902,662
Total Operating Expenses	12,523,039	13,218,249	9,950,591
Operating Income (Loss)	(1,926,039)	(4,096,249)	(1,033,970)
Nonoperating Revenues			
Property Taxes	1,500,000	1,500,000	1,513,114
Connection Fees	16,000	16,000	17,217
Interest Income	92,500	92,500	1,542
Other Income	20,000	32,000	58,050
	1,628,500	1,640,500	1,589,923
Income (Loss) Before Transfers	(297,539)	(2,455,749)	555,953
Transfers Out	-	-	(8,370)
Change in Net Assets	\$ (297,539)	\$ (2,455,749)	547,583
Net Assets - Beginning			28,090,349
Net Assets - Ending			\$ 28,637,932

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales	\$ 7,305,000	\$ 6,305,000	\$ 6,136,139
Sewer Fees	2,355,000	1,855,000	1,808,061
Sewer Construction Charge	786,000	786,000	806,106
Water Penalties	120,000	120,000	121,571
Water Meter Fees	10,000	25,000	23,659
Water and Sewer Taps	20,000	20,000	11,635
Miscellaneous	1,000	11,000	9,450
Total Operating Revenues	<u>\$ 10,597,000</u>	<u>\$ 9,122,000</u>	<u>\$ 8,916,621</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Administration and Support			
Personal Services	\$ 389,748	\$ 389,748	\$ 397,017
Employee Benefits	178,892	172,892	173,215
Other Employee Costs	49,171	104,336	94,535
Contractual Services	601,259	622,259	600,959
Utilities	67,955	67,955	41,473
Insurance	66,295	61,295	66,295
Commodities and Supplies	20,126	20,126	10,072
Total Administration and Support	1,373,446	1,438,611	1,383,566
Maintenance of Buildings			
Personal Services	133,760	133,760	130,417
Employee Benefits	49,008	47,008	46,117
Contractual Services	30,715	88,715	77,546
Utilities	12,391	12,391	5,010
Commodities and Supplies	1,123	7,723	7,693
Total Maintenance of Buildings	226,997	289,597	266,783
Maintenance of Grounds			
Personal Services	68,654	71,654	68,431
Employee Benefits	15,286	15,286	14,286
Contractual Services	46,689	46,689	20,627
Commodities and Supplies	5,799	5,799	5,407
Total Maintenance of Grounds	136,428	139,428	108,751
Water Supply Maintenance and Repair			
Personal Services	349,093	349,093	351,362
Employee Benefits	128,854	123,854	122,705
Contractual Services	66,338	68,888	47,934
Utilities	82,400	100,400	107,608
Commodities and Supplies	38,682	63,682	50,622
Capital Expenses	895,481	895,481	125,706
Total Water Supply Maintenance and Repair	1,560,848	1,601,398	805,937
Less Capital Assets Capitalized	-	-	(72,031)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Water Supply Maintenance and Repair - Continued			
Total Water Supply Maintenance and Repair	\$ 1,560,848	\$ 1,601,398	\$ 733,906
Water Distribution Maintenance and Repair			
Personal Services	343,719	343,719	292,905
Employee Benefits	95,823	92,823	83,290
Contractual Services	226,137	223,587	151,621
Commodities and Supplies	70,663	78,663	39,980
Capital Expenses	100,000	124,640	17,150
	836,342	863,432	584,946
Less Capital Assets Capitalized	-	-	(14,250)
Total Water Distribution Maintenance and Repair	836,342	863,432	570,696
Water Valve and Hydrant Maintenance			
Personal Services	222,927	222,927	218,018
Employee Benefits	77,344	74,344	72,954
Contractual Services	4,455	4,455	22
Commodities and Supplies	108,436	98,836	88,314
Total Water Valve and Hydrant Maintenance	413,162	400,562	379,308
Water Meter Installation, Repair and Replacement			
Personal Services	172,800	177,800	161,863
Employee Benefits	55,780	53,780	51,058
Contractual Services	92,872	166,142	47,328
Commodities and Supplies	4,949	4,949	175
Capital Expenses	528,345	563,595	56,721
Water Meter Installation, Repair and Replacement	854,746	966,266	317,145

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Equipment Maintenance			
Contractual Services	\$ 514,668	\$ 514,668	\$ 514,668
Sanitary Sewer Maintenance and Repair			
Personal Services	206,151	206,151	200,570
Employee Benefits	70,576	67,576	66,894
Contractual Services	137,213	155,673	125,870
Utilities	22,660	22,660	20,951
Commodities and Supplies	26,152	29,152	28,964
Capital Expenses	-	540,560	440,628
	462,752	1,021,772	883,877
Less Capital Assets Capitalized	-	-	(392,351)
Total Sanitary Sewer Maintenance and Repair	462,752	1,021,772	491,526
Water System Improvements			
Contractual Services	365,650	340,650	324,802
Capital Expenses	1,748,000	1,974,865	1,395,567
	2,113,650	2,315,515	1,720,369
Less Capital Assets Capitalized	-	-	(1,067,967)
Total Water System Improvements	2,113,650	2,315,515	652,402
Lake Michigan Water Acquisition			
Contractual Services	4,030,000	3,667,000	3,629,178
Total Administration and Maintenance	12,523,039	13,218,249	9,047,929
Depreciation	-	-	902,662
Total Operating Expenses	\$ 12,523,039	\$ 13,218,249	\$ 9,950,591

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Net Assets - Nonmajor Enterprise Funds
December 31, 2010**

	Parking System Revenue	Village Parking System	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 89,087	\$ 279,964	\$ 369,051
Receivables - Net of Allowances			
Other Taxes	13,889	11,364	25,253
Due from Other Funds	308	-	308
Total Current Assets	<u>103,284</u>	<u>291,328</u>	<u>394,612</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	189,267	189,267
Depreciable	195,012	328,041	523,053
Accumulated Depreciation	(195,012)	(303,986)	(498,998)
Total Noncurrent Assets	<u>-</u>	<u>213,322</u>	<u>213,322</u>
Total Assets	<u>103,284</u>	<u>504,650</u>	<u>607,934</u>

	Parking System Revenue	Village Parking System	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	5,240	100	5,340
Accrued Payroll	1,790	794	2,584
Due to Other Funds	250,000	308	250,308
Unearned/Deferred Revenue	4,262	9,897	14,159
Total Current Liabilities	261,292	11,099	272,391
Noncurrent Liabilities			
Net Other Post-Employment Benefits Obligation Payable	-	1,981	1,981
Total Liabilities	261,292	13,080	274,372
NET ASSETS			
Invested in Capital Assets	-	213,322	213,322
Unrestricted	(158,008)	278,248	120,240
Total Net Assets	\$ (158,008)	\$ 491,570	\$ 333,562

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds
Year Ended December 31, 2010**

	Parking System Revenue	Village Parking System	Totals
Operating Revenues			
Charges for Services			
Parking Fees	\$ 111,815	\$ 98,509	\$ 210,324
Operating Expenses			
Administration, Maintenance and Improvements	159,528	113,071	272,599
Depreciation	5,205	6,803	12,008
Total Operating Expenses	164,733	119,874	284,607
Operating Income (Loss)	(52,918)	(21,365)	(74,283)
Nonoperating Revenues			
Home Rule Sales Tax	49,468	40,474	89,942
Interest Income	40	71	111
	49,508	40,545	90,053
Change in Net Assets	(3,410)	19,180	15,770
Net Assets - Beginning	(154,598)	472,390	317,792
Net Assets - Ending	\$ (158,008)	\$ 491,570	\$ 333,562

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
Year Ended December 31, 2010**

	Parking System Revenue	Village Parking System	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 110,426	\$ 97,399	\$ 207,825
Payments to Suppliers	(224,642)	(94,370)	(319,012)
Payments to Employees	(34,017)	(14,219)	(48,236)
	<u>(148,233)</u>	<u>(11,190)</u>	<u>(159,423)</u>
Cash Flows from Noncapital Financing Activities			
Other Income	49,468	40,474	89,942
Cash Flows from Investing Activities			
Interest Received	40	71	111
Net Change in Cash and Cash Equivalents	(98,725)	29,355	(69,370)
Cash and Cash Equivalents - Beginning of Year	187,812	250,609	438,421
Cash and Cash Equivalents - End of Year	<u>\$ 89,087</u>	<u>\$ 279,964</u>	<u>\$ 369,051</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	\$ (52,918)	\$ (21,365)	\$ (74,283)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.			
Depreciation and Amortization Expense	5,205	6,803	12,008
(Increase) Decrease in Current Assets	(1,389)	(1,110)	(2,499)
Increase (Decrease) in Current Liabilities	(99,131)	4,482	(94,649)
Net Cash Provided by Operating Activities	<u>\$ (148,233)</u>	<u>\$ (11,190)</u>	<u>\$ (159,423)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Parking System Revenue - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Parking Fees - Lot A	\$ 57,000	\$ 57,000	\$ 60,037
Parking Fees - Lot C	47,000	50,000	51,778
Total Operating Revenues	<u>104,000</u>	<u>107,000</u>	<u>111,815</u>
Operating Expenses			
Administration, Maintenance and Improvements	170,276	178,397	159,528
Depreciation	-	-	5,205
Total Operating Expenses	<u>170,276</u>	<u>178,397</u>	<u>164,733</u>
Operating Income (Loss)	<u>(66,276)</u>	<u>(71,397)</u>	<u>(52,918)</u>
Nonoperating Revenues			
Home Rule Sales Tax	55,000	55,000	49,468
Interest Income	500	500	40
	<u>55,500</u>	<u>55,500</u>	<u>49,508</u>
Change in Net Assets	<u>\$ (10,776)</u>	<u>\$ (15,897)</u>	(3,410)
Net Assets - Beginning			<u>(154,598)</u>
Net Assets - Ending			<u>\$ (158,008)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Parking System Revenue - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 20,524	\$ 20,524	\$ 35,584
Employee Benefits	8,181	8,181	10,266
Contractual Services	100,001	103,091	99,327
Utilities	6,037	9,837	8,025
Insurance	947	947	947
Commodities and Supplies	9,586	10,817	5,379
Capital Expenses	25,000	25,000	-
	<hr/>		
Total Administration, Maintenance and Improvements	170,276	178,397	159,528
	<hr/>		
Depreciation	-	-	5,205
	<hr/>		
Total Operating Expenses	\$ 170,276	\$ 178,397	\$ 164,733

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Village Parking System - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Rental Fees	\$ -	\$ 3,000	\$ 550
Parking Fees - Lot D	100,000	100,000	92,447
Space Rent - Wille Street Lot	6,000	6,000	5,512
Total Operating Revenues	<u>106,000</u>	<u>109,000</u>	<u>98,509</u>
Operating Expenses			
Administration, Maintenance and Improvements	127,233	175,098	113,071
Depreciation	-	-	6,803
Total Operating Expenses	<u>127,233</u>	<u>175,098</u>	<u>119,874</u>
Operating Income (Loss)	<u>(21,233)</u>	<u>(66,098)</u>	<u>(21,365)</u>
Nonoperating Revenues			
Home Rule Sales Tax	45,000	45,000	40,474
Interest Income	1,000	1,000	71
	<u>46,000</u>	<u>46,000</u>	<u>40,545</u>
Change in Net Assets	<u>\$ 24,767</u>	<u>\$ (20,098)</u>	19,180
Net Assets - Beginning			<u>472,390</u>
Net Assets - Ending			<u>\$ 491,570</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Village Parking System - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 30,786	\$ 30,786	\$ 15,180
Employee Benefits	12,276	12,276	9,340
Contractual Services	75,924	110,734	67,709
Insurance	947	947	947
Commodities and Supplies	500	500	413
Capital Expenses	6,800	19,855	19,482
	<hr/>		
Total Administration, Maintenance and Improvements	127,233	175,098	113,071
	<hr/>		
Depreciation	-	-	6,803
	<hr/>		
Total Operating Expenses	\$ 127,233	\$ 175,098	\$ 119,874

INTERNAL SERVICE FUNDS

Computer Replacement Fund: The Computer Replacement Fund is used to account for the acquisition of Village computer hardware. Financing is being provided by charges to various Village funds.

Risk Management Fund: The Risk Management Fund is used to account for the servicing and payment of claims for liability, property, casualty coverage, workers' compensation and medical benefits. Financing is being provided by charges in the various Village funds.

Vehicle Replacement Fund: The Vehicle Replacement Fund is used to account for the acquisition and depreciation of Village vehicles. Financing is being provided by charges to the General, Water and Sewer, Parking System Revenue and Refuse Disposal Funds.

Vehicle Maintenance Fund: The Vehicle Maintenance Fund is used to account for the maintenance and repair of all Village vehicles except Fire Department vehicles. Financing is being provided by charges to various Village funds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Net Assets - Internal Service Funds
Year Ended December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Net Assets - Internal Service Funds
December 31, 2010**

		<u>Computer Replacement</u>
ASSETS		
Current Assets		
Cash and Investments		\$ 668,376
Receivables - Net of Allowances		
Other		-
Due from Other Governments		-
Due from Other Funds		-
Prepays		-
Inventories		-
Total Current Assets		<u>668,376</u>
Noncurrent Assets		
Capital Assets		
Depreciable		-
Accumulated Depreciation		<u>-</u>
Other Assets		
Net Other Post-Employment Benefit Asset		-
Deposits - Insurance		<u>-</u>
Total Noncurrent Assets		<u>-</u>
Total Assets		<u>668,376</u>
LIABILITIES		
Current Liabilities		
Accounts Payable		417
Accrued Payroll		-
Claims Payable		-
Due to Other Funds		-
Compensated Absences Payable		<u>-</u>
Total Current Liabilities		417
Long-Term Liabilities		
Compensated Absences Payable		<u>-</u>
Total Liabilities		<u>417</u>
NET ASSETS		
Invested in Capital Assets		-
Unrestricted		<u>667,959</u>
Total Net Assets		<u>\$ 667,959</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 2,997,102	\$ 5,614,954	\$ 439,605	\$ 9,720,037
472	-	5,620	6,092
-	11,296	8,881	20,177
2,299	3,134	-	5,433
26,084	-	-	26,084
-	-	382,659	382,659
3,025,957	5,629,384	836,765	10,160,482
-	12,186,126	191,020	12,377,146
-	(7,378,650)	(167,370)	(7,546,020)
-	4,807,476	23,650	4,831,126
-	-	1,184	1,184
545,238	-	-	545,238
545,238	4,807,476	24,834	5,377,548
3,571,195	10,436,860	861,599	15,538,030
24,715	21,530	55,150	101,812
-	-	61,744	61,744
605,932	-	-	605,932
-	-	32	32
-	-	34,807	34,807
630,647	21,530	151,733	804,327
-	-	139,226	139,226
630,647	21,530	290,959	943,553
-	4,807,476	23,650	4,831,126
2,940,548	5,607,854	546,990	9,763,351
\$ 2,940,548	\$ 10,415,330	\$ 570,640	\$ 14,594,477

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
Year Ended December 31, 2010

	<u>Computer Replacement</u>
Operating Revenues	
Charges for Services	\$ -
Contributions	-
Miscellaneous	-
Total Operating Revenues	<u>-</u>
Operating Expenses	
Administration and Maintenance	180,933
Insurance and Claims	-
Depreciation	-
Total Operating Expenses	<u>180,933</u>
Operating Income (Loss)	<u>(180,933)</u>
Nonoperating Revenues	
Interest Income	1,193
Disposal of Capital Assets	-
	<u>1,193</u>
Income (Loss) Before Transfers	(179,740)
Transfers In	<u>-</u>
Change in Net Assets	(179,740)
Net Assets - Beginning	<u>847,699</u>
Net Assets - Ending	<u>\$ 667,959</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 5,244,391	\$ 117,617	\$ 1,647,442	\$ 7,009,450
1,050,606	-	-	1,050,606
35,718	-	254	35,972
6,330,715	117,617	1,647,696	8,096,028
334,616	-	1,839,552	2,355,101
5,339,549	-	-	5,339,549
-	872,966	10,110	883,076
5,674,165	872,966	1,849,662	8,577,726
656,550	(755,349)	(201,966)	(481,698)
2,527	7,049	775	11,544
-	46,751	-	46,751
2,527	53,800	775	58,295
659,077	(701,549)	(201,191)	(423,403)
-	8,370	-	8,370
659,077	(693,179)	(201,191)	(415,033)
2,281,471	11,108,509	771,831	15,009,510
\$ 2,940,548	\$ 10,415,330	\$ 570,640	\$ 14,594,477

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds
Year Ended December 31, 2010

	<u>Computer Replacement</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ -
Payment to Suppliers	(180,516)
Payment to Employees	-
	<u>(180,516)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	-
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	-
Purchase of Capital Assets	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest Received	1,193
Net Change in Cash and Cash Equivalents	(179,323)
Cash and Cash Equivalents - Beginning	<u>847,699</u>
Cash and Cash Equivalents - Ending	<u>\$ 668,376</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (180,933)
Adjustments to Reconcile Operating Income	
to Net Cash Provided by (Used in)	
Operating Activities	
Depreciation	-
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	417
	<u>417</u>
Net Cash Provided by Operating Activities	<u>\$ (180,516)</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 6,597,470	\$ 371,865	\$ 1,645,298	\$ 8,614,633
(6,483,988)	12,883	(949,427)	(7,601,048)
-	-	(820,965)	(820,965)
113,482	384,748	(125,094)	192,620
-	8,370	-	8,370
-	82,051	-	82,051
-	(924,846)	-	(924,846)
-	(842,795)	-	(842,795)
2,527	7,049	775	11,544
# 116,009	(442,628)	(124,319)	(630,261)
2,881,093	6,057,582	563,924	10,350,298
\$ 2,997,102	\$ 5,614,954	\$ 439,605	\$ 9,720,037
\$ 656,550	\$ (755,349)	\$ (201,966)	\$ (481,698)
-	872,966	10,110	883,076
266,755	254,248	(2,398)	518,605
(809,823)	12,883	69,160	(727,363)
\$ 113,482	\$ 384,748	\$ (125,094)	\$ 192,620

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Computer Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ -	\$ -	\$ -
Operating Expenses			
Administration			
Capital Outlay	206,050	206,050	180,933
Operating Income (Loss)	(206,050)	(206,050)	(180,933)
Nonoperating Revenues			
Interest Income	12,000	2,000	1,193
Change in Net Assets	<u>\$ (194,050)</u>	<u>\$ (204,050)</u>	(179,740)
Net Assets - Beginning			<u>847,699</u>
Net Assets - Ending			<u>\$ 667,959</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,650,738	\$ 5,285,738	\$ 5,244,391
Contributions	1,172,860	1,172,860	1,050,606
Miscellaneous	10,000	42,000	35,718
Total Operating Revenues	<u>6,833,598</u>	<u>6,500,598</u>	<u>6,330,715</u>
Operating Expenses			
Administration	349,845	364,845	334,616
Insurance and Claims	6,515,253	6,052,553	5,339,549
Total Operating Expenses	<u>6,865,098</u>	<u>6,417,398</u>	<u>5,674,165</u>
Operating Income (Loss)	(31,500)	83,200	656,550
Nonoperating Revenues			
Interest Income	<u>31,500</u>	<u>3,500</u>	<u>2,527</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ 86,700</u>	<u>659,077</u>
Net Assets - Beginning			<u>2,281,471</u>
Net Assets - Ending			<u>\$ 2,940,548</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund	\$ 4,352,232	\$ 4,012,232	\$ 4,004,680
Refuse Disposal Fund	55,956	55,956	52,753
Community Development Block Grant Fund	12,892	12,892	11,660
Water and Sewer Fund	412,390	387,390	382,945
Parking System Revenue Fund	5,539	5,539	5,095
Village Parking System Fund	7,840	7,840	7,175
Vehicle Maintenance Fund	150,389	150,389	138,069
Library	653,500	653,500	642,014
Total Charges for Services	<u>5,650,738</u>	<u>5,285,738</u>	<u>5,244,391</u>
Contributions			
Employee			
Health Insurance	433,500	433,500	437,331
Additional Life Insurance	6,096	6,096	5,998
Retiree			
Health Insurance	<u>733,264</u>	<u>733,264</u>	<u>607,277</u>
Total Contributions	<u>1,172,860</u>	<u>1,172,860</u>	<u>1,050,606</u>
Miscellaneous - Other Reimbursements	<u>10,000</u>	<u>42,000</u>	<u>35,718</u>
Total Operating Revenues	<u>\$ 6,833,598</u>	<u>\$ 6,500,598</u>	<u>\$ 6,330,715</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration			
Casualty and Property Program			
Claims Administration	\$ 27,000	\$ 27,000	\$ 24,509
Other Contractual Services	2,000	17,000	22,961
	<u>29,000</u>	<u>44,000</u>	<u>47,470</u>
Medical Program			
Claims Administration	320,845	320,845	287,146
	<u>349,845</u>	<u>364,845</u>	<u>334,616</u>
Insurance and Claims			
Casualty and Property Program			
Property Insurance	85,000	85,000	83,283
HELP Excess Liability Insurance	76,500	76,500	75,833
Workers' Compensation Insurance	54,500	54,500	53,314
Faithful Performance Insurance	2,500	2,500	2,423
Surety Bonds	2,000	2,000	1,950
Other Insurance	200	200	2,736
Property Claims	1,000	31,000	22,278
Liability Claims	100,000	100,000	(10,764)
Workers' Compensation Claims	520,000	520,000	(191,490)
Auto Claims	20,000	20,000	7,685
Village Property Claims	25,000	25,000	31,011
Unemployment Compensation Claims	10,000	10,000	10,010
Tree Hazard Study	11,500	18,800	5,789
Builder's Risk Insurance	-	-	838
Other Claims	2,000	2,000	2,250
	<u>910,200</u>	<u>947,500</u>	<u>97,146</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2010

	Budget		Actual
	Original	Final	
Insurance and Claims - Continued			
Medical Program			
Medical Expense - HMO Plan	\$ 1,743,561	\$ 1,578,561	\$ 1,573,273
Medical Expense - Indemnity Plan	3,820,038	3,485,038	3,635,224
Other Medical Claims	5,000	5,000	5,010
Life Insurance	34,954	34,954	28,896
Disability Insurance	1,500	1,500	-
	<u>5,605,053</u>	<u>5,105,053</u>	<u>5,242,403</u>
Total Insurance and Claims	<u>6,515,253</u>	<u>6,052,553</u>	<u>5,339,549</u>
Total Operating Expenses	<u>\$ 6,865,098</u>	<u>\$ 6,417,398</u>	<u>\$ 5,674,165</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 111,700	\$ 111,700	\$ 117,617
Operating Expenses			
Administration	440,000	980,000	-
Depreciation	-	-	872,966
Total Operating Expenses	440,000	980,000	872,966
Operating Income (Loss)	(328,300)	(868,300)	(755,349)
Nonoperating Revenues			
Interest Income	76,500	8,500	7,049
Disposal of Capital Assets	50,000	120,000	46,751
	126,500	128,500	53,800
Income (Loss) Before Transfers	(201,800)	(739,800)	(701,549)
Transfers In	-	-	8,370
Change in Net Assets	\$ (201,800)	\$ (739,800)	(693,179)
Net Assets - Beginning			11,108,509
Net Assets - Ending			\$ 10,415,330

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Charges for Services			
Water and Sewer Fund	\$ 68,500	\$ 68,500	\$ 68,500
Parking System Fund	2,880	2,880	2,880
Village Parking Fund	4,320	4,320	4,320
Other Fees	36,000	36,000	41,917
	<hr/>		
Total Operating Revenues	\$ 111,700	\$ 111,700	\$ 117,617

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration			
Capital Outlay	\$ 440,000	\$ 980,000	\$ 924,846
Less Capital Assets Capitalized	-	-	(924,846)
Total Administration	440,000	980,000	-
Depreciation	-	-	872,966
Total Operating Expenses	<u>\$ 440,000</u>	<u>\$ 980,000</u>	<u>\$ 872,966</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,647,442	\$ 1,647,442	\$ 1,647,442
Miscellaneous Income	-	-	254
Total Operating Revenues	<u>1,647,442</u>	<u>1,647,442</u>	<u>1,647,696</u>
Operating Expenses			
Administration and Maintenance	1,814,711	1,879,711	1,839,552
Depreciation	-	-	10,110
Total Operating Expenses	<u>1,814,711</u>	<u>1,879,711</u>	<u>1,849,662</u>
Operating Income (Loss)	(167,269)	(232,269)	(201,966)
Nonoperating Revenues			
Interest Income	<u>6,750</u>	<u>6,750</u>	<u>775</u>
Change in Net Assets	<u>\$ (160,519)</u>	<u>\$ (225,519)</u>	(201,191)
Net Assets - Beginning			<u>771,831</u>
Net Assets - Ending			<u>\$ 570,640</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund			
Mayor and Board	\$ 1,978	\$ 1,978	\$ 1,978
Manager's Office	1,978	1,978	1,978
Television Services Division	1,978	1,978	1,978
Community Development - Planning	1,978	1,978	1,978
Community Development - Building	9,886	9,886	9,886
Community Development - Housing	17,299	17,299	17,299
Community Development - Health	1,978	1,978	1,978
Human Services Department	1,978	1,978	1,978
Police Department	428,345	428,345	428,345
Fire Department	197,700	197,700	197,700
Public Works Department	510,708	510,708	510,708
Engineering Division	16,804	16,804	16,804
Water and Sewer Fund	446,168	446,168	446,168
Parking System Fund	4,332	4,332	4,332
Village Parking Fund	4,332	4,332	4,332
Total Charges for Services	1,647,442	1,647,442	1,647,442
Miscellaneous Income	-	-	254
Total Operating Revenue	\$ 1,647,442	\$ 1,647,442	\$ 1,647,696

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Vehicle Division Administration			
Personal Services	\$ 106,167	\$ 106,167	\$ 108,089
Employee Benefits	62,089	73,089	83,926
Other Employee Costs	2,315	2,315	2,251
Contractual Services	7,155	7,155	4,533
Utilities	993	993	932
Commodities and Supplies	1,572	1,572	1,539
Office Equipment	545	545	-
Total Vehicle Division Administration	180,836	191,836	201,270
Vehicle Maintenance Program			
Personal Services	758,105	758,105	765,821
Employee Benefits	255,220	256,820	244,331
Contractual Services	88,583	86,983	83,814
Commodities and Supplies	528,467	582,467	543,753
Other Equipment	3,500	3,500	563
Total Vehicle Maintenance Program	1,633,875	1,687,875	1,638,282
Total Administration and Maintenance	1,814,711	1,879,711	1,839,552
Depreciation	-	-	10,110
Total Operating Expenses	\$ 1,814,711	\$ 1,879,711	\$ 1,849,662

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund: The Police Pension Fund is used to account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Police Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee withholdings and investment income.

Firefighters' Pension Fund: The Firefighters' Pension Fund is used to account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Police Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee withholdings and investment income.

AGENCY FUND

Escrow Deposit Fund: The Escrow Deposit Fund is used to account for refundable deposits held by the Village to ensure the completion of public improvements. The money is held by the Village until the improvements are completed.

Flexcomp Escrow Fund: The Flexcomp Escrow Fund is used to account for employee payroll deductions pursuant to Section 125 and Section 132 flexible compensation plans. The money is reimbursed to employees for qualified medical and dependent care expenses, parking and transportation expenses.

Special Service Area Fund: The Special Service Area Fund is used to account for the accumulation of resources for debt service payments for Special Service Area No. 6.

Library Bonds Escrow Fund: The Library Bonds Escrow Fund is used to account for the accumulation of resources for the 2002 Library bond issue payments.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Plan Assets
December 31, 2010**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 2,455,962	\$ 2,643,547	\$ 5,099,509
Investments			
State and Local Obligations	2,716,310	6,751,814	9,468,124
U.S. Government and Agency Obligations	18,189,153	15,203,059	33,392,212
Mutual Funds	20,732,027	18,796,417	39,528,444
Accrued Interest Receivable	154,032	191,955	345,987
Miscellaneous Receivable	296	-	296
Prepays	685	706	1,391
Due from Other Funds	311,499	285,891	597,390
Total Assets	44,559,964	43,873,389	88,433,353
LIABILITIES			
Accounts Payable	19,653	12,410	32,063
NET ASSETS			
Held in Trust for Pension Benefits	\$ 44,540,311	\$ 43,860,979	\$ 88,401,290

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Plan Assets
Year Ended December 31, 2010**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 2,229,170	\$ 1,953,107	\$ 4,182,277
Contributions - Plan Members	691,281	573,923	1,265,204
Total Contributions	2,920,451	2,527,030	5,447,481
Investment Income			
Interest Earned	869,378	1,175,751	2,045,129
Net Change in Fair Value	3,164,328	2,559,359	5,723,687
	4,033,706	3,735,110	7,768,816
Less Investment Expenses	(85,853)	(93,426)	(179,279)
Net Investment Income	3,947,853	3,641,684	7,589,537
Total Additions	6,868,304	6,168,714	13,037,018
Deductions			
Administration	49,060	26,610	75,670
Benefits and Refunds	3,299,413	3,081,875	6,381,288
Total Deductions	3,348,473	3,108,485	6,456,958
Change in Net Assets	3,519,831	3,060,229	6,580,060
Net Assets - Beginning	41,020,480	40,800,750	81,821,230
Net Assets - Ending	\$ 44,540,311	\$ 43,860,979	\$ 88,401,290

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,214,500	\$ 2,214,500	\$ 2,229,170
Contributions - Plan Members	735,500	685,500	691,281
Total Contributions	<u>2,950,000</u>	<u>2,900,000</u>	<u>2,920,451</u>
Investment Income			
Interest Earned	1,055,500	688,500	869,378
Net Change in Fair Value	<u>1,580,000</u>	<u>140,000</u>	<u>3,164,328</u>
	2,635,500	828,500	4,033,706
Less Investment Expenses	<u>(93,000)</u>	<u>(93,000)</u>	<u>(85,853)</u>
Net Investment Income	<u>2,542,500</u>	<u>735,500</u>	<u>3,947,853</u>
Total Additions	<u>5,492,500</u>	<u>3,635,500</u>	<u>6,868,304</u>
Deductions			
Administration	56,500	63,500	49,060
Benefits and Refunds	<u>3,092,800</u>	<u>3,392,800</u>	<u>3,299,413</u>
Total Deductions	<u>3,149,300</u>	<u>3,456,300</u>	<u>3,348,473</u>
Change in Net Assets	<u>\$ 2,343,200</u>	<u>\$ 179,200</u>	3,519,831
Net Assets - Beginning			<u>41,020,480</u>
Net Assets - Ending			<u>\$ 44,540,311</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2010**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,939,300	\$ 1,939,300	\$ 1,953,107
Contributions - Plan Members	591,000	591,000	573,923
Total Contributions	<u>2,530,300</u>	<u>2,530,300</u>	<u>2,527,030</u>
Investment Income			
Interest Earned	1,134,000	954,000	1,175,751
Net Change in Fair Value	1,520,000	15,000	2,559,359
	<u>2,654,000</u>	<u>969,000</u>	<u>3,735,110</u>
Less Investment Expenses	(93,000)	(93,000)	(93,426)
Net Investment Income	<u>2,561,000</u>	<u>876,000</u>	<u>3,641,684</u>
Total Additions	<u>5,091,300</u>	<u>3,406,300</u>	<u>6,168,714</u>
Deductions			
Administration	58,500	58,500	26,610
Benefits and Refunds	2,970,000	3,115,000	3,081,875
Total Deductions	<u>3,028,500</u>	<u>3,173,500</u>	<u>3,108,485</u>
Change in Net Assets	<u>\$ 2,062,800</u>	<u>\$ 232,800</u>	3,060,229
Net Assets - Beginning			<u>40,800,750</u>
Net Assets - Ending			<u>\$ 43,860,979</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2010**

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 1,411,976	\$ 5,657,002	\$ 5,842,235	\$ 1,226,743
Other Receivables	-	19,864	7,950	11,914
Due from Other Funds	-	140,696	22,825	117,871
Total Assets	\$ 1,411,976	\$ 5,817,562	\$ 5,873,010	\$ 1,356,528
LIABILITIES				
Deposits Payable	\$ 1,299,784	\$ 1,461,514	\$ 1,447,445	\$ 1,313,853
Due to Other Funds	111,604	76,447	148,051	40,000
Other Liabilities	391	814,267	812,078	2,580
Due to Library	197	1,633,475	1,633,577	95
Total Liabilities	\$ 1,411,976	\$ 3,985,703	\$ 4,041,151	\$ 1,356,528
Escrow Deposit Fund				
ASSETS				
Cash and Investments	\$ 1,334,519	\$ 2,579,773	\$ 2,751,517	\$ 1,162,775
Other Receivables	-	19,864	7,950	11,914
Due from Other Funds	-	140,696	22,825	117,871
Total Assets	1,334,519	2,740,333	2,782,292	1,292,560
LIABILITIES				
Deposits Payable	\$ 1,274,538	\$ 1,054,184	\$ 1,038,442	\$ 1,290,280
Due to Other Funds	59,590	49,266	108,856	-
Other Liabilities	391	464,578	462,689	2,280
Total Liabilities	\$ 1,334,519	\$ 1,568,028	\$ 1,609,987	\$ 1,292,560

	Beginning Balances	Additions	Deductions	Ending Balances
Flexcomp Escrow Fund				
ASSETS				
Cash and Investments	\$ 73,704	\$ 396,287	\$ 406,418	\$ 63,573
LIABILITIES				
Deposits Payable	\$ 25,246	\$ 407,330	\$ 409,003	\$ 23,573
Due to Other Funds	48,458	27,181	35,639	40,000
Total Liabilities	\$ 73,704	\$ 434,511	\$ 444,642	\$ 63,573
Special Service Areas Fund				
ASSETS				
Cash and Investments	\$ 3,556	\$ -	\$ 3,556	\$ -
LIABILITIES				
Due to Other Funds	\$ 3,556	\$ -	\$ 3,556	\$ -
Library Bonds Escrow Fund				
ASSETS				
Cash and Investments	\$ 197	\$ 2,680,942	\$ 2,680,744	\$ 395
LIABILITIES				
Other Liabilities	\$ -	\$ 349,689	\$ 349,389	\$ 300
Due to Library	197	1,633,475	1,633,577	95
Total Liabilities	\$ 197	\$ 1,983,164	\$ 1,982,966	\$ 395

SUPPLEMENTAL SCHEDULES

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable by Governmental Funds
December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of General Long-Term Debt

Long-Term Debt Payable by Governmental Funds
December 31, 2010

	General Obligation Bonds of 2003	General Obligation Bonds of 2009	General Obligation Refunding Bonds of 2009B
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG- TERM DEBT	\$ 8,360,000	\$ 9,800,000	\$ 3,430,000
GENERAL LONG-TERM DEBT PAYABLE			
General Obligation Bonds Payable	\$ 8,360,000	\$ 9,800,000	\$ 3,430,000
IEPA Flood Loan Contracts Payable	-	-	-
Compensated Absences Payable	-	-	-
Net Other Post-Employment Benefits Obligation	-	-	-
Net Pension Obligation	-	-	-
	\$ 8,360,000	\$ 9,800,000	\$ 3,430,000

Taxable General Obligation Bonds of 2009C	IEPA Flood Loans	Net Pension Obligation	Net Other Post- Employment Benefits Obligation	Compensated Absences	Totals
\$ 2,650,000	\$ 2,789,256	\$ 541,527	\$ 432,293	\$ 3,150,211	\$ 31,153,287
\$ 2,650,000	\$ -	\$ -	\$ -	\$ -	\$ 24,240,000
-	2,789,256	-	-	-	2,789,256
-	-	-	-	3,150,211	3,150,211
-	-	-	432,293	-	432,293
-	-	541,527	-	-	541,527
\$ 2,650,000	\$ 2,789,256	\$ 541,527	\$ 432,293	\$ 3,150,211	\$ 31,153,287

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2003
December 31, 2010**

Date of Issue	February 1, 2003
Date of Maturity	December 1, 2022
Authorized Issue	\$12,235,000
Denomination of Bonds	\$5,000
Interest Rate	3.25% - 4.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank One

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	0776-0885	\$ 550,000	\$ 363,508	\$ 913,508	2011	\$ 181,754	2011	\$ 181,754
2011	0886-0999	570,000	342,882	912,882	2012	171,441	2012	171,441
2012	1000-1118	595,000	320,082	915,082	2013	160,041	2013	160,041
2013	1119-1241	615,000	296,282	911,282	2014	148,141	2014	148,141
2014	1242-1370	645,000	271,682	916,682	2015	135,841	2015	135,841
2015	1371-1504	670,000	245,075	915,075	2016	122,537	2016	122,538
2016	1505-1644	700,000	216,600	916,600	2017	108,300	2017	108,300
2017	1645-1790	730,000	185,975	915,975	2018	92,987	2018	92,988
2018	1791-1943	765,000	153,125	918,125	2019	76,562	2019	76,563
2019	1944-2103	800,000	118,700	918,700	2020	59,350	2020	59,350
2020	2104-2271	840,000	81,700	921,700	2021	40,850	2021	40,850
2021	2272-2447	880,000	41,800	921,800	2022	20,900	2022	20,900
		<u>\$ 8,360,000</u>	<u>\$ 2,637,411</u>	<u>\$ 10,997,411</u>	<u>\$ 1,318,704</u>		<u>\$ 1,318,707</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2009

December 31, 2010

Date of Issue	March 11, 2009
Date of Maturity	December 1, 2028
Authorized Issue	\$10,000,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 4.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	-	\$ -	\$ 417,262	\$ 417,262	2011	\$ 208,631	2011	\$ 208,631
2011	-	-	417,262	417,262	2012	208,631	2012	208,631
2012	-	-	417,262	417,262	2013	208,631	2013	208,631
2013	-	-	417,262	417,262	2014	208,631	2014	208,631
2014	-	-	417,262	417,262	2015	208,631	2015	208,631
2015	-	-	417,262	417,262	2016	208,631	2016	208,631
2016	-	-	417,262	417,262	2017	208,631	2017	208,631
2017	-	-	417,262	417,262	2018	208,631	2018	208,631
2018	-	-	417,262	417,262	2019	208,631	2019	208,631
2019	-	-	417,262	417,262	2020	208,631	2020	208,631
2020	-	-	417,262	417,262	2021	208,631	2021	208,631
2021	-	-	417,262	417,262	2022	208,631	2022	208,631
2022	41-247	1,035,000	417,262	1,452,262	2023	208,631	2023	208,631
2023	248-559	1,560,000	375,864	1,935,864	2024	187,932	2024	187,932
2024	560-889	1,650,000	313,464	1,963,464	2025	156,732	2025	156,732
2025	890-1239	1,750,000	244,164	1,994,164	2026	122,082	2026	122,082
2026	1240-1609	1,850,000	168,914	2,018,914	2027	84,457	2027	84,457
2027	1610-2000	1,955,000	87,976	2,042,976	2028	43,988	2028	43,988
		<u>\$ 9,800,000</u>	<u>\$ 6,614,788</u>	<u>\$ 16,414,788</u>	<u>\$ 3,307,394</u>		<u>\$ 3,307,394</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2009B

December 31, 2010

Date of Issue	December 22, 2009
Date of Maturity	December 1, 2021
Authorized Issue	\$3,430,000
Denomination of Bonds	\$5,000
Interest Rate	2.50% - 3.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	1-46	\$ 230,000	\$ 105,600	\$ 335,600	2011	\$ 52,800	2011	\$ 52,800
2011	47-102	280,000	99,850	379,850	2012	49,925	2012	49,925
2012	103-159	285,000	92,850	377,850	2013	46,425	2013	46,425
2013	160-218	295,000	85,725	380,725	2014	42,862	2014	42,863
2014	219-279	305,000	78,350	383,350	2015	39,175	2015	39,175
2015	280-342	315,000	70,725	385,725	2016	35,362	2016	35,363
2016	343-406	320,000	61,275	381,275	2017	30,637	2017	30,638
2017	407-472	330,000	51,675	381,675	2018	25,837	2018	25,838
2018	472-540	340,000	40,125	380,125	2019	20,062	2019	20,063
2019	541-612	360,000	27,375	387,375	2020	13,687	2020	13,688
2020	613-686	370,000	13,875	383,875	2021	6,937	2021	6,938
		<u>\$ 3,430,000</u>	<u>\$ 727,425</u>	<u>\$ 4,157,425</u>		<u>\$ 363,709</u>		<u>\$ 363,716</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

Taxable General Obligation Bonds of 2009C December 31, 2010

Date of Issue	December 22, 2009
Date of Maturity	December 1, 2029
Authorized Issue	\$2,650,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 5.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2010	-	\$ -	\$ 135,023	\$ 135,023	2011	\$ 67,511	2011	\$ 67,512
2011	-	-	135,022	135,022	2012	67,511	2012	67,511
2012	-	-	135,023	135,023	2013	67,512	2013	67,511
2013	1-5	25,000	135,023	160,023	2014	67,511	2014	67,512
2014	6-13	40,000	134,272	174,272	2015	67,136	2015	67,136
2015	14-24	55,000	132,933	187,933	2016	66,467	2016	66,466
2016	24-39	75,000	130,842	205,842	2017	65,421	2017	65,421
2017	40-58	95,000	127,655	222,655	2018	63,828	2018	63,827
2018	59-82	120,000	123,380	243,380	2019	61,690	2019	61,690
2019	83-110	140,000	118,100	258,100	2020	59,050	2020	59,050
2020	111-142	160,000	111,520	271,520	2021	55,760	2021	55,760
2021	143-242	500,000	104,000	604,000	2022	52,000	2022	52,000
2022	243-330	440,000	79,500	519,500	2023	39,750	2023	39,750
2023	-	-	57,500	57,500	2024	28,750	2024	28,750
2024	-	-	57,500	57,500	2025	28,750	2025	28,750
2025	-	-	57,500	57,500	2026	28,750	2026	28,750
2026	-	-	57,500	57,500	2027	28,750	2027	28,750
2027	-	-	57,500	57,500	2028	28,750	2028	28,750
2028	331-530	1,000,000	57,500	1,057,500	2029	28,750	2029	28,750
		<u>\$ 2,650,000</u>	<u>\$ 1,947,293</u>	<u>\$ 4,597,293</u>	<u>\$ 973,647</u>		<u>\$ 973,646</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0856) Contract Payable of 1994
December 31, 2010**

Date of Issue	January 12, 1994
Date of Maturity	July 12, 2013
Authorized Issue	\$558,474
Interest Rate	3.36%
Interest Dates	January 12 and July 12
Principal Maturity Dates	January 12 and July 12
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2011	34-35	\$ 35,850	\$ 3,440	\$ 39,290
2012	36-37	37,065	2,223	39,288
2013	38-39	38,320	970	39,290
		<u>\$ 111,235</u>	<u>\$ 6,633</u>	<u>\$ 117,868</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0744) Contract Payable of 1994
December 31, 2010**

Date of Issue	May 1, 1994
Date of Maturity	May 1, 2014
Authorized Issue	\$3,695,354
Interest Rate	3.36%
Interest Dates	May 1 and November 1
Principal Maturity Dates	May 1 and November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2011	34-35	\$ 230,187	\$ 26,319	\$ 256,506
2012	36-37	237,986	18,520	256,506
2013	38-39	246,050	10,456	256,506
2014	40	126,134	2,119	128,253
		<u>\$ 840,357</u>	<u>\$ 57,414</u>	<u>\$ 897,771</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0857) Contract Payable of 1994
December 31, 2010**

Date of Issue	June 10, 1994
Date of Maturity	December 10, 2014
Authorized Issue	\$1,711,672
Interest Rate	3.36%
Interest Dates	June 10 and December 10
Principal Maturity Dates	June 10 and December 10
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2011	33-34	\$ 106,174	\$ 14,128	\$ 120,302
2012	35-36	109,772	10,530	120,302
2013	37-38	113,491	6,811	120,302
2014	39-40	117,336	2,966	120,302
		<u>\$ 446,773</u>	<u>\$ 34,435</u>	<u>\$ 481,208</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0855) Contract Payable of 1997
December 31, 2010**

Date of Issue	November 1, 1997
Date of Maturity	November 1, 2017
Authorized Issue	\$1,203,550
Interest Rate	2.89%
Interest Dates	May 1 and November 1
Principal Maturity Dates	May 1 and November 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2011	27-28	\$ 66,535	\$ 14,219	\$ 80,754
2012	29-30	68,472	12,280	80,752
2013	31-32	70,465	10,287	80,752
2014	33-34	72,517	8,235	80,752
2015	35-36	74,628	6,124	80,752
2016	37-38	76,800	3,952	80,752
2017	39-40	79,035	1,717	80,752
		<u>\$ 508,452</u>	<u>\$ 56,814</u>	<u>\$ 565,266</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-1087) Contract Payable of 1999
December 31, 2010**

Date of Issue	December 1, 1999
Date of Maturity	June 3, 2019
Authorized Issue	\$1,760,422
Interest Rate	2.625%
Interest Dates	June 3 and December 3
Principal Maturity Dates	June 3
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2011	23-24	\$ 93,954	\$ 22,550	\$ 116,504
2012	25-26	96,437	20,069	116,506
2013	27-28	98,985	17,521	116,506
2014	29-30	101,600	14,906	116,506
2015	31-32	104,285	12,221	116,506
2016	33-34	107,040	9,466	116,506
2017	35-36	109,868	6,638	116,506
2018	37-38	112,771	3,735	116,506
2019	39	57,499	754	58,253
		<u>\$ 882,439</u>	<u>\$ 107,860</u>	<u>\$ 990,299</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Insurance in Force
December 31, 2010**

Insurance Carrier/Description of Coverage	Self-Insured Retention	Specific Excess Limit	Aggregate Excess Limit	Expiration Date of Policy
Federal Insurance Company/Chubb				
Property and Inland Marine	\$ 25,000	\$ 68,222,039	\$ None	01/01/11
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	08/01/11
Fiduciary Liability - Fire Pension	25,000	5,000,000	5,000,000	08/01/11
Safety National Insurance Company				
Workers' Compensation	500,000	Statutory	1,000,000	01/01/11
N/A				
General Liability	2,000,000	None	None	N/A
Automobile Liability	2,000,000	None	None	N/A
Employee Practices Liability	2,000,000	None	None	N/A
Police Professional Liability	2,000,000	None	None	N/A
Public Officials Liability	2,000,000	None	None	N/A
High-Level Excess Liability Pool				
Excess Liability	2,000,000	12,000,000	12,000,000	04/30/18
ITT Hartford				
Public Employees Dishonesty	5,000	500,000	None	05/01/10
Depositors Forgery	1,000	100,000	None	05/01/10
Public Officials Bond - President	None	100,000	100,000	05/01/10
Public Officials Bond - Manager	None	100,000	100,000	05/01/10
Public Officials Bond - Village Treasurer	None	250,000	250,000	05/01/10
Chubb				
Contingent Tax Interruption	25,000	9,000,000	9,000,000	01/01/10
Intergovernmental Personal Benefit Cooperative				
Employee & Retiree Health Insurance	30,000/75,000	None	None	06/30/11
CCMSI				
Workers' Comp. Claims Administration	N/A	N/A	N/A	N/A
GAB Robins				
Liability Claims Administration	N/A	N/A	N/A	N/A

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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Net Assets by Component - Last Seven Fiscal Years
Year Ended December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Net Assets by Component - Last Seven Fiscal Years
December 31, 2010 (Unaudited)**

	<u>2004</u>	<u>2005</u>
Governmental Activities		
Invested in Capital Assets, Net of Related Debt	\$ 25,864,656	\$ 23,851,038
Restricted	4,644,869	4,828,517
Unrestricted	<u>5,629,961</u>	<u>13,689,604</u>
Total Governmental Activities Net Assets	<u>\$ 36,139,486</u>	<u>\$ 42,369,159</u>
Business-Type Activities		
Invested in Capital Assets, Net of Related Debt	\$ 17,471,099	\$ 17,846,548
Unrestricted	<u>6,261,987</u>	<u>5,808,766</u>
Total Business-Type Activities Net Assets	<u>\$ 23,733,086</u>	<u>\$ 23,655,314</u>
Primary Government		
Invested in Capital Assets, Net of Related Debt	\$ 43,335,755	\$ 41,697,586
Restricted	4,644,869	4,828,517
Unrestricted	<u>11,891,948</u>	<u>19,498,370</u>
Total Primary Government Net Assets	<u>\$ 59,872,572</u>	<u>\$ 66,024,473</u>

Data Source: Audited Financial Statements

The Village implemented GASB 34 in Fiscal Year 2004.

2006	2007	2008	2009	2010
\$ 24,671,547	\$ 26,114,472	\$ 29,663,909	\$ 27,741,453	\$ 30,020,260
4,197,018	3,178,963	2,367,670	4,497,173	4,891,298
18,553,994	23,151,760	21,216,625	20,277,880	18,296,001
\$ 47,422,559	\$ 52,445,195	\$ 53,248,204	\$ 52,516,506	\$ 53,207,559
\$ 18,321,345	\$ 19,437,672	\$ 20,776,324	\$ 22,412,134	\$ 23,044,064
6,172,718	6,833,310	6,852,644	5,996,007	5,927,430
\$ 24,494,063	\$ 26,270,982	\$ 27,628,968	\$ 28,408,141	\$ 28,971,494
\$ 42,992,892	\$ 45,552,144	\$ 50,440,233	\$ 50,153,587	\$ 53,064,324
4,197,018	3,178,963	2,367,670	4,497,173	4,891,298
24,726,712	29,985,070	28,069,269	26,273,887	24,223,431
\$ 71,916,622	\$ 78,716,177	\$ 80,877,172	\$ 80,924,647	\$ 82,179,053

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Changes in Net Assets - Last Seven Fiscal Years
December 31, 2010 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities							
General Government	\$ 7,081,460	\$ 3,090,918	\$ 5,110,605	\$ 5,777,024	\$ 6,682,541	\$ 7,192,572	\$ 6,541,405
Public Safety	21,314,705	21,660,877	23,336,436	24,565,640	26,646,855	27,172,360	27,303,165
Highways and Streets	11,357,935	9,364,421	10,888,397	11,512,271	13,540,232	12,101,419	12,924,872
Health	3,545,694	3,642,891	3,863,140	4,085,316	4,163,354	4,194,045	4,133,883
Welfare	1,518,387	1,465,197	1,344,516	1,759,776	1,744,504	2,316,995	2,039,805
Culture and Recreation	287,955	237,024	272,826	221,806	409,066	367,635	322,553
Interest on Long-Term Debt	1,409,929	1,350,049	1,360,081	728,640	837,127	1,047,961	1,146,789
Total Governmental Activities Expenses	46,516,065	40,811,377	46,176,001	48,650,473	54,023,679	54,392,987	54,412,472
Business-Type Activities							
Water and Sewer	8,398,983	8,954,899	9,200,271	8,839,710	9,179,399	9,393,148	9,950,591
Commuter Parking	292,580	369,825	409,041	259,434	263,394	233,701	284,607
Total Business-Type Activities Expenses	8,691,563	9,324,724	9,609,312	9,099,144	9,442,793	9,626,849	10,235,198
Total Primary Government Expenses	\$ 55,207,628	\$ 50,136,101	\$ 55,785,313	\$ 57,749,617	\$ 63,466,472	\$ 64,019,836	\$ 64,647,670
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	\$ 3,626,755	\$ 3,626,936	\$ 4,750,937	\$ 5,057,855	\$ 5,045,338	\$ 6,705,200	\$ 6,271,966
Public Safety	1,864,447	2,029,632	2,096,875	2,658,824	2,242,952	1,580,052	1,486,144
Highways and Streets	158,101	135,151	176,019	231,468	169,615	237,786	135,641
Other Activities	261,470	280,083	288,914	305,467	320,488	65,933	70,964
Operating Grants and Contributions	2,472,301	556,072	513,703	594,223	1,800,781	1,084,589	640,167
Capital Grants and Contributions	66,138	1,894,095	2,106,688	2,812,836	764,283	406,734	443,278
Total Governmental Activities Program Revenues	8,449,212	8,521,969	9,933,136	11,660,673	10,343,457	10,080,294	9,048,160
Business-Type Activities							
Charges for Services							
Water and Sewer	6,404,006	7,400,759	8,506,767	8,888,249	8,774,681	8,500,396	8,916,621
Commuter Parking	161,617	205,215	207,085	210,036	269,400	218,735	210,324
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	6,565,623	7,605,974	8,713,852	9,098,285	9,044,081	8,719,131	9,126,945
Total Primary Government Program Revenues	\$ 15,014,835	\$ 16,127,943	\$ 18,646,988	\$ 20,758,958	\$ 19,387,538	\$ 18,799,425	\$ 18,175,105

	2004	2005	2006	2007	2008	2009	2010
Net (Expense) Revenue							
Governmental Activities	\$ (38,066,853)	\$ (32,289,408)	\$ (36,242,865)	\$ (36,989,800)	\$ (43,680,222)	\$ (44,312,693)	\$ (45,364,312)
Business-Type Activities	(2,125,940)	(1,718,750)	(895,460)	(859)	(398,712)	(907,718)	(1,108,253)
Total Primary Government							
Net Revenue (Expense)	\$ (40,192,793)	\$ (34,008,158)	\$ (37,138,325)	\$ (36,990,659)	\$ (44,078,934)	\$ (45,220,411)	\$ (46,472,565)
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property	\$ 12,785,975	\$ 13,775,669	\$ 15,183,214	\$ 15,817,195	\$ 15,942,106	\$ 16,543,215	\$ 17,165,849
Utility	-	-	-	-	-	4,519,175	4,589,221
Sales	11,502,755	11,871,553	12,720,614	12,773,695	14,862,634	4,061,202	4,392,753
Telecommunication	2,523,576	2,802,467	2,471,590	2,741,121	2,770,473	-	-
Other	8,096,054	9,509,376	9,537,327	9,712,568	10,346,444	1,524,823	1,598,056
Intergovernmental							
State Sales and Use	-	-	-	-	-	9,761,726	11,110,707
Income Taxes	-	-	-	-	-	4,573,162	4,428,176
Motor Fuel Taxes	-	-	-	-	-	1,466,759	1,698,798
Replacement Taxes	-	-	-	-	-	338,134	362,532
Investment Income	207,562	433,605	908,782	924,989	416,673	187,793	67,001
Miscellaneous	153,629	126,411	101,242	42,868	93,781	605,006	633,902
Transfers	-	-	10,433	-	-	-	8,370
Contributions	-	-	-	-	51,120	-	-
Total Governmental Activities	35,269,551	38,519,081	40,933,202	42,012,436	44,483,231	43,580,995	46,055,365
Business-Type Activities							
Property Tax	1,495,756	1,533,910	1,527,407	1,504,501	1,505,394	1,520,602	1,513,114
Sales Tax	-	-	-	-	92,154	82,882	89,942
Investment Income	61,017	107,068	217,235	262,430	159,150	26,646	1,653
Miscellaneous	(2,913)	-	-	-	-	56,761	75,267
Transfers	-	-	(10,433)	-	-	-	(8,370)
Total Business-Type Activities	1,553,860	1,640,978	1,734,209	1,766,931	1,756,698	1,686,891	1,671,606
Total Primary Government	\$ 36,823,411	\$ 40,160,059	\$ 42,667,411	\$ 43,779,367	\$ 46,239,929	\$ 45,267,886	\$ 47,726,971
Changes in Net Assets							
Governmental Activities	\$ (2,797,302)	\$ 6,229,673	\$ 4,690,337	\$ 5,022,636	\$ 803,009	\$ (731,698)	\$ 691,053
Business-Type Activities	(572,080)	(77,772)	838,749	1,766,072	1,357,986	779,173	563,353
Total Primary Government	\$ (3,369,382)	\$ 6,151,901	\$ 5,529,086	\$ 6,788,708	\$ 2,160,995	\$ 47,475	\$ 1,254,406

Data Source: Audited Financial Statements

The Village implemented GASB 34 in Fiscal Year 2004.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	2001	2002	2003	2004
General Fund				
Reserved	\$ 30,995	\$ 174,853	\$ 146,009	\$ 219,694
Unreserved	9,417,702	9,275,071	8,779,145	8,037,820
Total General Fund	\$ 9,448,697	\$ 9,449,924	\$ 8,925,154	\$ 8,257,514
All Other Governmental Funds				
Reserved	\$ 2,480,890	\$ 1,778,005	\$ 13,585,940	\$ 4,727,748
Unreserved, Reported in:				
Special Revenues Funds	4,107,024	3,920,313	1,968,264	1,744,656
Debt Service Funds	-	-	-	-
Capital Projects Funds	14,434,134	10,742,329	-	(1,357,855)
Total All Other Governmental Funds	\$ 21,022,048	\$ 16,440,647	\$ 15,554,204	\$ 5,114,549

Data Source: Audited Financial Statements

2005	2006	2007	2008	2009	2010
\$ 312,499	\$ 73,529	\$ 40,910	\$ 228,750	\$ 88,492	\$ 53,536
10,203,878	11,733,539	12,774,003	12,312,075	10,110,989	10,364,455
<u>\$ 10,516,377</u>	<u>\$ 11,807,068</u>	<u>\$ 12,814,913</u>	<u>\$ 12,540,825</u>	<u>\$ 10,199,481</u>	<u>\$ 10,417,991</u>
\$ 4,958,811	\$ 4,333,108	\$ 3,329,107	\$ 2,523,221	\$ 4,762,560	\$ 2,188,376
1,556,490	1,844,687	2,028,077	2,043,378	1,674,387	2,148,898
-	-	-	(908,466)	(485,274)	(78,844)
161,614	1,447,070	2,315,134	303,492	1,965,761	2,459,761
<u>\$ 6,676,915</u>	<u>\$ 7,624,865</u>	<u>\$ 7,672,318</u>	<u>\$ 3,961,625</u>	<u>\$ 7,917,434</u>	<u>\$ 6,718,191</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

	2000	2002	2003	2004
Revenues				
Taxes	\$ 18,190,266	\$ 18,493,096	\$ 19,693,126	\$ 22,722,306
Licenses, Permits and Fees	2,976,022	3,113,545	3,273,201	3,024,016
Intergovernmental	15,562,921	16,061,890	14,210,114	14,616,333
Charges for Services	1,491,135	1,671,156	1,724,014	1,748,460
Fines and Forfeits	436,806	521,289	595,170	554,741
Investment Income	1,537,810	715,905	385,214	207,562
Miscellaneous	1,740,634	854,805	1,094,763	758,805
Total Revenues	41,935,594	41,431,686	40,975,602	43,632,223
Expenditures				
General Government	3,178,754	3,571,104	3,922,921	4,346,454
Public Safety	16,319,661	18,251,730	19,129,091	20,940,441
Highways and Streets	6,047,404	6,941,764	6,762,888	7,459,168
Health	3,158,977	3,300,533	3,244,907	3,545,174
Welfare	1,088,194	1,713,306	1,368,295	1,516,610
Culture and Recreation	263,487	278,423	275,184	274,491
Miscellaneous	384,387	15,626	-	-
Capital Outlay	5,117,914	6,527,505	15,366,338	11,481,777
Debt Service				
Principal	3,774,322	4,050,925	4,269,326	4,468,949
Interest and Fiscal Charges	1,313,925	1,361,565	1,520,741	1,456,454
Total Expenditures	40,647,025	46,012,481	55,859,691	55,489,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,288,569	(4,580,795)	(14,884,089)	(11,857,295)
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	2,377,472	6,197,421	12,235,000	705,000
Premium on Debt Issuance	-	-	-	-
Payment to Escrow Agent	-	(6,196,800)	-	-
Transfers In	1,024,000	1,865,928	1,096,677	794,938
Transfers Out	(1,024,000)	(1,865,928)	(1,096,677)	(794,938)
Disposal of Capital Assets	1,135,360	-	1,225,000	45,000
	3,512,832	621	13,460,000	750,000
Net Change in Fund Balances	\$ 4,801,401	\$ (4,580,174)	\$ (1,424,089)	\$ (11,107,295)
Debt Service as a Percentage of Noncapital Expenditures	14.32%	13.71%	12.82%	12.02%

Data Source: Audited Financial Statements

2005	2006	2007	2008	2009	2010
\$ 24,897,774	\$ 25,829,233	\$ 26,460,490	\$ 27,287,056	\$ 26,648,415	\$ 27,740,802
3,135,996	3,216,982	3,445,370	3,094,828	3,748,456	3,394,211
15,459,395	16,664,264	17,783,855	19,104,781	17,274,500	18,719,087
1,710,556	3,226,074	3,780,453	3,618,419	3,832,341	3,789,976
581,439	521,473	720,673	720,351	529,655	556,178
433,605	908,782	924,989	416,673	137,142	55,457
822,285	489,097	557,279	533,460	834,738	781,149
47,041,050	50,855,905	53,673,109	54,775,568	53,005,247	55,036,860
4,463,740	4,901,739	5,298,202	5,725,191	5,796,151	5,240,716
21,677,185	23,205,517	24,767,992	25,906,274	26,384,953	26,935,085
7,265,128	7,555,575	9,204,868	9,168,071	8,291,493	7,450,823
3,650,121	3,873,480	4,102,547	4,156,319	4,188,172	4,128,010
1,482,943	1,366,367	1,786,121	1,736,791	2,316,995	2,039,805
284,229	333,148	281,737	381,892	358,207	313,125
-	-	-	-	-	-
2,040,534	3,470,144	2,437,381	6,623,970	14,296,659	7,739,590
3,205,838	2,605,399	3,529,734	4,149,735	1,425,219	1,046,203
1,318,154	1,264,364	1,044,123	891,181	1,023,907	1,124,236
45,387,872	48,575,733	52,452,705	58,739,424	64,081,756	56,017,593
1,653,178	2,280,172	1,220,404	(3,963,856)	(11,076,509)	(980,733)
-	-	-	-	16,080,000	-
-	-	-	-	124,535	-
-	-	-	-	(3,513,925)	-
989,519	1,344,953	105	809,422	635,100	450,000
(989,519)	(1,386,484)	(165,211)	(833,242)	(635,100)	(450,000)
2,168,051	-	-	2,895	364	-
2,168,051	(41,531)	(165,106)	(20,925)	12,690,974	-
\$ 3,821,229	\$ 2,238,641	\$ 1,055,298	\$ (3,984,781)	\$ 1,614,465	\$ (980,733)
10.08%	8.07%	8.78%	9.00%	4.55%	4.12%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years
December 31, 2010 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
2000	\$ 620,188,611	\$ 321,632,685
2001	764,455,298	336,912,152
2002	827,681,951	361,790,089
2003	823,558,021	339,716,638
2004	940,125,430	374,813,387
2005	1,016,362,276	381,718,354
2006	1,048,895,640	357,812,772
2007	1,227,488,556	412,588,412
2008	1,343,275,031	414,537,434
2009	1,452,220,540	387,256,513

Note: Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

Data Source: Office of the Cook County Clerk

Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value as a Percentage of Actual Value
\$ 147,076,484	\$ 206,203	\$ 1,089,103,983	0.932	\$ 3,267,311,949	33.333%
153,774,011	219,095	1,255,360,556	0.837	3,766,081,668	33.333%
165,579,129	249,939	1,355,301,108	0.813	4,065,903,324	33.333%
158,341,177	271,107	1,321,886,943	0.874	3,965,660,829	33.333%
175,903,709	334,619	1,491,177,145	0.801	4,473,531,435	33.333%
196,556,462	338,630	1,594,975,722	0.827	4,784,927,166	33.333%
190,150,899	450,150	1,597,309,461	0.846	4,791,928,383	33.333%
229,739,726	508,622	1,870,325,316	0.750	5,610,975,948	33.333%
221,110,772	572,793	1,979,496,030	0.732	5,938,488,090	33.333%
177,285,176	649,124	2,017,411,353	0.754	6,052,234,059	33.333%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years
December 31, 2010 (Unaudited)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates										
Corporate	0.514	0.459	0.448	0.480	0.444	0.457	0.469	0.416	0.393	0.399
Bond and Interest	0.060	0.055	0.063	0.078	0.070	0.092	0.083	0.071	0.093	0.076
Garbage	0.224	0.198	0.169	0.173	0.154	0.122	0.126	0.110	0.090	0.089
Police Pension	0.065	0.059	0.065	0.070	0.065	0.081	0.085	0.077	0.078	0.102
Firefighters' Pension	0.068	0.065	0.068	0.073	0.068	0.075	0.083	0.076	0.078	0.088
Total Direct Tax Rate	0.932	0.837	0.813	0.874	0.801	0.827	0.846	0.750	0.732	0.754
Overlapping Rates										
Mount Prospect Library	0.377	0.352	0.435	0.487	0.475	0.466	0.482	0.439	0.441	0.450
County of Cook	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394
Consolidated Elections	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012	0.000	0.021
Forest Preserve District	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049
Metropolitan Water Reclamation District	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261
Suburban TB Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	0.000	0.000	0.000
Township of Elk Grove	0.061	0.053	0.050	0.051	0.046	0.044	0.044	0.040	0.041	0.044
Township of Maine	0.089	0.079	0.076	0.079	0.071	0.070	0.073	0.065	0.064	0.067
Township of Wheeling	0.053	0.049	0.040	0.047	0.042	0.041	0.043	0.038	0.038	0.039
General Assistance Elk Grove	0.013	0.011	0.011	0.011	0.007	0.009	0.009	0.008	0.009	0.010
General Assistance Maine	0.016	0.015	0.015	0.016	0.015	0.015	0.016	0.015	0.015	0.016
General Assistance Wheeling	0.000	0.000	0.008	0.010	0.009	0.009	0.010	0.009	0.009	0.009
Road and Bridge Elk Grove	0.011	0.009	0.009	0.010	0.009	0.009	0.009	0.009	0.009	0.010
Road and Bridge Maine	0.044	0.039	0.038	0.040	0.036	0.036	0.038	0.034	0.033	0.034
Road and Bridge Wheeling	0.013	0.012	0.012	0.013	0.012	0.012	0.013	0.012	0.012	0.012
Northwest Mosquito Abatement	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008
Arlington Heights High School #214	2.257	1.989	1.888	1.982	1.818	1.759	1.823	1.621	1.587	1.636
Community College District #512	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258
Arlington Heights Park District	0.584	0.484	0.458	0.516	0.466	0.453	0.461	0.404	0.379	0.392

Village of Mount Prospect										
Special Service Area #6	0.594	0.441	0.384	0.418	0.298	0.000	0.000	0.000	0.000	0.000
Special Service Area #5	0.168	0.148	0.137	0.141	0.125	0.117	0.118	0.101	0.096	0.095
School District #59	2.116	1.943	1.855	2.127	1.972	1.933	2.013	1.791	1.810	1.945
Mount Prospect Park District	0.571	0.502	0.473	0.498	0.455	0.459	0.474	0.411	0.407	0.411
School District #57	3.598	3.050	2.878	3.019	2.740	2.643	2.694	2.334	2.246	2.195
School District #25 Arlington Heights	4.306	3.730	3.527	3.653	3.156	3.225	3.295	2.890	2.807	2.510
River Trails Park District	0.554	0.524	0.485	0.517	0.484	0.480	0.484	0.428	0.422	0.433
School District #26	3.441	3.212	3.192	3.313	2.948	2.880	3.047	2.698	2.696	2.703
Prospect Heights Park District	0.810	0.692	0.656	0.730	0.662	0.640	0.658	0.561	0.544	0.523
School District #23	3.878	3.345	3.183	3.344	2.987	2.880	2.948	2.418	2.363	2.253
School District #21	3.201	2.886	3.266	3.575	3.262	3.394	3.502	3.154	3.161	3.209
Des Plaines Park District	0.462	0.408	0.422	0.444	0.427	0.350	0.356	0.312	0.300	0.317
Prospect Heights Old Town Sanitary	0.094	0.082	0.079	0.082	0.073	0.071	0.074	0.039	0.015	0.015
Elk Grove Rural Fire Protection District	0.700	0.655	0.626	0.660	0.722	0.841	1.039	0.895	0.971	1.032
Prospect Heights Rural Fire Protection District	0.584	0.510	0.567	0.819	0.731	0.767	0.795	0.693	0.677	0.652
High School #207	2.298	2.026	1.936	2.012	1.795	1.757	1.826	1.602	1.577	1.617
Community College #535	0.213	0.186	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140
School District #62	2.455	2.225	2.148	2.228	2.475	2.501	2.627	2.350	2.329	2.492

Total Tax Rate for Property Located in the Village of Mount Prospect, Elk Grove Township and School District #59	8.180	7.383	7.103	7.584	6.997	6.840	6.961	6.212	6.114	6.346
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Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	11.4%	11.3%	11.4%	11.5%	11.4%	12.1%	12.2%	12.1%	12.0%	11.9%
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Total Tax Rate for Property Located in the Village of Mount Prospect, Wheeling Township and School District #26	9.469	8.662	8.442	8.768	7.974	7.787	7.999	7.121	7.000	7.100
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Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	9.8%	9.7%	9.6%	10.0%	10.0%	10.6%	10.6%	10.5%	10.5%	10.6%
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Note: Property Tax Rates are per \$100 of Assessed Valuation

Data Source: Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2010 (Unaudited)**

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Randhurst Shopping Center	\$ 32,755,202	1	1.62%	\$		
CRP Holdings	25,180,511	2	1.25%			
Mount Prospect Plaza	22,601,808	3	1.12%			
Home Properties Colony	22,593,120	4	1.12%	19,768,981	3	1.82%
Golf Plaza I & II	19,757,198	5	0.98%			
Cumming-Allison Corp	13,068,500	6	0.65%			
McRil LLC	12,834,736	7	0.64%			
Huntington Square	11,761,137	8	0.58%			
Costco	9,152,652	9	0.45%			
Rand Development LLC	8,747,159	10	0.43%			
Rouse Company				73,546,886	1	6.75%
Insignia ESG				23,905,553	2	2.19%
James Campbell Estate				13,783,505	4	1.27%
Washington Capital				11,740,055	5	1.08%
Stomad Ctrs. Mt. Prospect				11,406,510	6	1.05%
Cabot Ind. Properties				9,381,633	7	0.86%
Bayshore Management Co				7,474,482	8	0.69%
3Com Prop. Admin.				7,044,048	9	0.65%
Shell Oil Company				6,768,040	10	0.62%
	<u>\$ 178,452,023</u>		<u>8.84%</u>	<u>\$ 184,819,693</u>		<u>16.98%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuation were overlooked.

Data Source: Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year Ended Dec. 31	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		Amount	Percentage of Levy
2001	2000	\$ 10,146,824	\$ 9,697,911	95.58%	\$ 408,317	\$ 10,106,228	99.60%
2002	2001	10,501,972	10,174,385	96.88%	137,169	10,311,554	98.19%
2003	2002	11,010,747	10,619,494	96.45%	218,677	10,838,171	98.43%
2004	2003	11,539,756	11,107,262	96.25%	327,296	11,434,558	99.09%
2005	2004	11,939,893	11,534,824	96.61%	114,416	11,649,240	97.57%
2006	2005	13,175,689	12,222,889	92.77%	661,239	12,884,128	97.79%
2007	2006	13,506,574	12,369,490	91.58%	903,435	13,272,925	98.27%
2008	2007	14,014,838	13,648,416	97.39%	66,599	13,715,015	97.86%
2009	2008	14,472,269	14,137,805	97.69%	209,859	14,347,664	99.14%
2010	2009	15,194,636	14,856,084	97.77%	-	14,856,084	97.77%

Data Source: Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Taxable Sales by Category - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	2001	2002	2003	2004
General Merchandise	\$ 1,224,181	\$ 1,173,295	\$ 1,310,317	\$ 1,181,411
Food	906,374	896,492	918,773	849,929
Drinking and Eating Places	521,263	474,667	486,766	498,789
Apparel	210,051	173,459	169,613	156,900
Furniture and H.H. and Radio	350,994	296,467	286,666	283,729
Lumber, Building, Hardware	822,656	871,786	869,336	916,388
Automobile and Filling Stations	724,214	680,754	709,602	756,261
Drugs and Miscellaneous Retail	1,175,219	2,013,478	2,315,308	2,565,793
Agriculture and All Others	1,524,595	1,046,332	637,681	653,924
Manufacturers	269,537	121,415	127,213	101,044
Total	\$ 7,729,084	\$ 7,748,145	\$ 7,831,275	\$ 7,964,168
Number of Taxpayers	1,197	1,169	1,147	1,105
Village Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note: Data available for calendar year only. The fiscal year of Village of Mount Prospect is same as the calendar year. Excludes Home Rule Sales Tax portion.

Data Source: Illinois Department of Revenue

2005	2006	2007	2008	2009	2010
\$ 1,163,392	\$ 1,191,814	\$ 1,207,238	\$ 1,099,957	\$ 800,081	\$ 1,054,791
901,597	883,285	1,042,920	1,069,087	1,005,043	944,631
547,681	566,627	583,799	564,572	522,898	544,118
124,285	157,184	149,857	68,774	33,425	37,444
230,378	280,088	274,809	243,339	225,436	224,221
907,954	869,944	801,315	704,972	650,987	668,852
1,185,563	1,267,636	1,333,637	1,277,713	1,176,389	1,358,572
2,210,598	2,682,731	2,454,600	3,608,855	3,272,273	3,699,398
714,534	819,090	853,036	1,245,594	1,275,048	1,726,693
115,036	105,704	110,189	184,057	93,616	129,476
<u>\$ 8,101,018</u>	<u>\$ 8,824,103</u>	<u>\$ 8,811,400</u>	<u>\$ 10,066,920</u>	<u>\$ 9,055,194</u>	<u>\$ 10,388,196</u>
1,125	1,168	1,149	900	795	800
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Home Rule Sales Taxes by Category - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	2001	2002	2003	2004
General Merchandise	\$ 561,994	\$ 533,611	\$ 595,104	\$ 789,838
Food	114,353	117,236	122,996	185,355
Drinking and Eating Places	255,281	234,326	240,779	368,000
Apparel	104,922	86,710	84,805	117,774
Furniture and H.H. and Radio	175,306	147,975	143,226	210,821
Lumber, Building, Hardware	410,038	434,913	433,528	683,934
Automobile and Filling Stations	99,497	108,449	115,982	217,502
Drugs and Miscellaneous Retail	242,760	242,579	232,887	373,206
Agriculture and All Others	745,262	506,482	303,692	517,294
Manufacturers	133,241	59,696	61,351	71,726
Total	\$ 2,842,654	\$ 2,471,977	\$ 2,334,350	\$ 3,535,450
Number of Taxpayers	1,197	1,169	1,147	1,105
Village Direct Sales Tax Rate	0.50%	0.50%	0.50%	0.75%

Note: Data available for calendar year only. The fiscal year of Village of Mount Prospect is same as the calendar year.

Data Source: Illinois Department of Revenue

	2005	2006	2007	2008	2009	2010
\$	778,634	\$ 793,949	\$ 811,505	\$ 967,261	\$ 693,008	\$ 811,120
	169,411	160,335	197,945	261,398	248,128	266,766
	405,729	420,844	434,613	558,908	519,177	539,415
	93,186	117,804	112,251	68,267	33,424	37,442
	172,592	209,655	205,312	240,192	223,115	220,694
	678,295	649,820	598,495	701,258	646,990	665,409
	420,491	464,579	494,408	640,842	596,221	697,383
	407,301	387,350	381,387	413,511	407,587	484,085
	524,602	592,983	621,576	819,975	647,829	632,050
	83,868	76,697	80,093	180,157	89,263	126,598
\$	3,734,109	\$ 3,874,016	\$ 3,937,585	\$ 4,851,769	\$ 4,104,743	\$ 4,480,962
	1,125	1,168	1,149	900	795	800
	0.75%	0.75%	0.75%	1.75%	1.00%	1.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	State Rate	County Rate	Regional Transportation Rate	Village Direct Rate	Home Rule Sales Tax Rate	Total Sales Tax Rate
2001	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2002	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2003	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2004	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2005	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2006	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2007	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2008	5.00%	2.00%	1.00%	1.00%	1.75%	10.75%
2009	5.00%	2.00%	1.00%	1.00%	1.00%	10.00%
2010	5.00%	1.50%	1.00%	1.00%	1.00%	9.50%

Data Source: State of Illinois

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
Year Ended December 31, 2009**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	Governmental Activities		
	General Obligation Bonds	Tax Increment Financing Bonds	IEPA Loan Payable (1)
2001	\$ 17,194,917	\$ 6,300,000	\$ 6,899,681
2002	14,696,442	5,120,000	6,498,218
2003	23,489,146	4,750,000	6,083,951
2004	20,013,590	4,175,000	5,656,470
2005	17,974,452	3,365,000	5,215,348
2006	16,540,764	2,570,000	4,760,147
2007	14,760,000	1,655,000	4,290,413
2008	13,105,000	-	3,805,678
2009	24,770,000	-	3,305,459
2010	24,240,000	-	2,789,256

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

*See the Demographic and Economic Statistics Schedule for personal income and population data.

- (1) The Village entered into five installment contracts with the Illinois Environmental Protection Agency to provide funds for the construction of flood control projects. The contracts are for a 20-year period with equal semi-annual installments.
- (2) The Village entered into an installment note to purchase property in the Downtown Redevelopment TIF District for future development. The loan is payable in annual installments over a five-year period.

Data Source: Audited Financial Statements

Installment Note (2)	Business-Type Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita*
\$ -	\$ 388,200	\$ 30,782,798	2.07%	\$ 547
-	283,300	26,597,960	1.79%	473
-	180,600	34,503,697	2.32%	613
-	79,600	29,924,660	2.01%	532
705,000	-	27,259,800	1.83%	484
705,000	-	24,575,911	1.65%	437
355,000	-	21,060,413	1.41%	374
-	-	16,910,678	1.14%	301
-	-	28,075,459	1.89%	499
-	-	27,029,256	1.82%	480

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2001	\$ 23,494,917	\$ 2,142,657	\$ 21,352,260	0.65%	\$ 379.49
2002	19,816,442	1,244,631	18,571,811	0.49%	330.08
2003	28,239,146	790,066	27,449,080	0.68%	487.85
2004	24,188,590	36,785	24,151,805	0.61%	429.25
2005	21,339,452	419,317	20,920,135	0.47%	371.81
2006	19,110,764	465,990	18,644,774	0.39%	331.37
2007	16,415,000	94,398	16,320,602	0.34%	290.07
2008	13,105,000	-	13,105,000	0.23%	232.92
2009	24,770,000	-	24,770,000	0.44%	440.24
2010	24,240,000	-	24,240,000	N/A	430.82

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

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

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

Data Sources: Audited Financial Statements
Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2010 (Unaudited)**

Governmental Unit	(1) Gross Debt	(2) Percentage Debt Applicable to Village	(3) Village's Share of Debt
Village of Mount Prospect	\$ 39,830,000 *	100.00%	\$ 39,830,000
County of Cook	3,184,830,000	1.134%	36,115,972
Forest Preserve District of Cook County	108,665,000	1.134%	1,232,261
Metropolitan Water Reclamation District	1,979,203,000	1.157%	22,899,379
Community College District #512	187,900,000	8.665%	16,281,535
School District #214	30,020,000	17.745%	5,327,049
School District #207	12,220,000	0.049%	5,988
School District #57	14,470,000	94.045%	13,608,312
School District #25	15,190,000	2.714%	412,257
School District #26	7,575,000	76.571%	5,800,253
School District #23	3,345,000	7.869%	263,218
School District #21	42,645,775	2.981%	1,271,271
School District #59	22,315,000	14.573%	3,251,965
Arlington Heights Park District	34,606,000	1.432%	495,558
Des Plaines Park District	7,270,000	1.654%	120,246
Mount Prospect Park District	7,185,000	62.054%	4,458,580
Prospect Heights Park District	509,215	15.604%	79,458
	5,657,948,990		111,623,302
	\$ 5,697,778,990		\$ 151,453,302

* Includes \$15,590,000 of bonds payable by Mount Prospect Public Library tax levies.

(1) Gross bonded debt excluding outstanding general obligation (alternate revenue bonds) which are expected to be paid from sources other than general taxation.

(2) Determined by ratio of 2009 assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in Village of Mount Prospect.

(3) Amount in column (2) multiplied by amount in column (1).

Data Source: Comprehensive Annual Financial Report for Cook County, Illinois (2009) and Metropolitan Water Reclamation District of Greater Chicago (2009) and Office of the County Clerk for all other Government Units (2010)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Legal Debt Margin
December 31, 2010 (Unaudited)**

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some 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 General Assembly has set no limits for home rule municipalities.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2010 (Unaudited)

Fiscal Year	(1) Population	(2) Equalized Assessed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
2001	56,265	\$ 1,255,360,556	\$ 1,488,996,960	\$ 26,464	4.60%
2002	56,265	1,355,301,108	1,488,996,960	26,464	5.30%
2003	56,265	1,321,886,943	1,488,996,960	26,464	5.30%
2004	56,265	1,491,177,145	1,488,996,960	26,464	4.60%
2005	56,265	1,594,975,722	1,488,996,960	26,464	4.40%
2006	56,265	1,597,309,461	1,488,996,960	26,464	3.20%
2007	56,265	1,870,325,316	1,488,996,960	26,464	3.40%
2008	56,265	1,979,496,030	1,488,996,960	26,464	4.50%
2009	56,265	2,017,411,353	1,488,996,960	26,464	7.90%
2010	56,265	N/A	1,488,996,960	26,464	7.80%

Note: 2010 Equalized Assessed Valuation is unavailable until 2011.

Data Sources:

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Office of the Cook County Clerk
- (3) Illinois Department of Labor Statistics

N/A - Not Available

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2010 (Unaudited)**

Employer	2010			2001		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Caremark Rx, Inc.	800	1	1.42%			
Bosch Tools	576	2	1.02%			
MetLife	445	3	0.79%	273	2	0.49%
Cummins-Allison Corp.	435	4	7.70%	265	3	0.47%
Wal-Mart Stores, Inc.	330	5	0.59%			
Village of Mount Prospect	306	6	0.54%	304	1	0.54%
Rauland Borg	300	7	0.53%			
Mount Prospect S.D. 57	298	8	0.53%	200	6	0.36%
Township High S.D. 214	250	9	0.44%	240	4	0.43%
Siemens Building Technologies	235	10	0.42%			
Output Technologies Inc.				200	5	0.36%
Community Consolidated S.D. 59				197	7	0.35%
NTN Bearing Corporation				165	8	0.29%
Bank One				150	9	0.27%
C-Line Products				130	10	0.23%
	<u>3,975</u>		<u>13.98%</u>	<u>2,124</u>		<u>3.79%</u>

Data Source: Village Records

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
Year Ended December 31, 2010**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function/Program	2001	2002	2003
Public Representation	0.85	0.85	0.85
General Government			
Village Administration			
Village Manager's Office	7.35	7.35	8.85
Television Services Division	2.90	2.90	2.90
Village Clerk's Office	2.00	2.00	2.00
Finance	16.50	16.00	15.00
Total Village Administration	28.75	28.25	28.75
Community Development			
Community Development	22.20	21.80	21.30
Community Development/CDBG	0.40	0.80	0.80
Total Community Development	22.60	22.60	22.10
Human Services Department	8.70	8.70	8.70
Public Safety and Protection			
Police Department	104.50	104.50	105.50
Fire Department	80.70	80.70	80.70
Total Public Safety and Protection	185.20	185.20	186.20
Public Works Department			
Administration	3.40	3.40	3.40
Streets/Buildings/Parking	17.60	17.10	16.10
Forestry	11.80	11.80	11.80
Engineering	8.90	8.90	7.90
Water/Sewer	24.80	24.80	25.80
Refuse Disposal	1.40	1.40	1.40
Vehicle Maintenance	9.10	9.10	9.10
Total Public Works Department	77.00	76.50	75.50
Community and Civic Services	0.20	0.20	0.20
Village Total	323.30	322.30	322.30

Data Source: Village Budget

2004	2005	2006	2007	2008	2009	2010
0.85	0.85	0.85	0.85	0.85	0.85	0.85
8.85	10.35	10.35	11.35	11.85	11.85	11.85
2.80	2.80	3.10	3.10	3.10	3.10	2.10
2.00	2.00	2.00	2.00	2.00	2.00	1.00
15.00	15.00	15.00	15.00	15.00	15.00	13.00
28.65	30.15	30.45	31.45	31.95	31.95	27.95
20.90	20.90	20.90	22.90	23.40	23.15	20.48
1.20	1.20	1.20	1.20	1.20	1.20	1.25
22.10	22.10	22.10	24.10	24.60	24.35	21.73
8.70	7.60	7.60	7.60	7.60	10.60	9.50
105.50	105.50	110.50	111.50	111.50	111.50	97.83
80.70	80.70	83.90	84.20	84.20	82.20	74.75
186.20	186.20	194.40	195.70	195.70	193.70	172.58
3.35	3.35	3.35	3.35	3.35	3.35	2.85
14.60	14.60	14.60	14.80	14.60	14.80	11.35
11.80	10.80	10.80	10.80	10.80	10.80	10.70
7.90	7.90	8.30	8.30	8.30	8.30	8.00
25.75	25.75	25.55	26.15	26.15	26.15	26.50
2.90	2.90	2.90	2.90	2.90	2.90	2.90
9.10	9.10	8.90	8.90	9.10	10.90	10.90
75.40	74.40	74.40	75.20	75.20	77.20	73.20
0.20	0.20	0.20	0.20	0.20	0.20	0.20
322.10	321.50	330.00	335.10	336.10	338.85	306.01

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function/Program	2001	2002	2003
Finance Department			
Vehicle Stickers Issued	39,342	38,916	38,940
Utility Bills	78,000	77,000	81,865
Real Estate Transfer Tax Stamps Sold	1,795	1,678	1,774
Community Development			
Building Division			
Permits Issued	3,638	3,122	3,427
Plan Reviews	408	259	387
Building Code Inspections	16,273	13,825	12,839
Environmental Health Division			
Food Service Inspections	403	414	422
Multi-Family Buildings Inspections	659	664	652
Swimming Pools/Spa Inspections	24	30	28
Public Safety			
Police			
Number of Crimes	5,489	6,100	5,774
Number of Service Calls	33,926	35,442	40,507
Number of Arrests	1,793	2,009	2,226
Moving Violations	5,321	6,463	9,070
Parking Citations	8,536	10,588	7,913
Fire			
Fire Calls	2,000	1,941	1,837
EMS Calls	3,197	3,160	3,412
Fire Prevention Inspections	3,637	2,900	2,838
Training Hours	25,699	23,417	23,847
Public Works			
Streets			
Street Reconstruction (Miles)	2.90	-	-
Street Resurfacing (Miles)	5.30	8.00	8.00
Crack Filling (Pounds)	48,075	51,057	50,490
Leaves Removed (Cubic Yards)	17,809	20,802	19,500
Water			
Water Mains Installed (Lineal Feet)	1,392	44	4,500
Water Billed (1,000 Gallons)	1,580,000	1,539,074	1,550,000
Sanitary Sewers Cleaned (Feet)	41,100	37,165	45,000
Refuse (Single/Multi-Family)			
Solid Waste Collected (Tons)	37,781	37,881	37,978
Recycling (Tons)	7,252	7,224	7,009

*2010 are estimated amounts. Final figures are not available at time of printing report.

Data Source: Village Records

2004	2005	2006	2007	2008	2009	2010*
38,969	38,425	38,973	38,851	39,208	39,650	40,010
86,429	85,894	100,846	97,677	86,577	86,458	86,067
1,774	1,903	1,624	1,249	947	986	1,104
3,429	3,217	2,866	2,801	2,687	2,415	2,450
473	744	787	553	452	420	505
13,364	14,364	9,590	8,438	7,631	7,970	8,000
404	364	400	392	340	394	390
654	414	583	476	279	491	583
30	6	33	62	59	28	-
4,548	3,834	3,247	4,295	4,242	3,921	4,000
43,656	30,387	25,443	26,694	25,631	23,600	24,000
2,032	1,740	1,855	1,928	1,769	1,736	1,910
7,947	7,383	6,522	7,985	8,723	10,355	10,800
6,799	8,194	7,641	9,438	10,690	10,256	11,900
1,882	1,837	1,647	2,273	2,019	1,817	1,900
3,229	3,443	3,679	3,518	3,487	3,535	3,300
2,305	2,692	4,388	3,652	3,264	4,258	3,500
25,180	22,397	21,865	22,837	21,073	23,851	21,000
-	-	-	-	-	-	-
9.00	5.00	9.00	7.00	5.00	7.00	7.00
56,520	58,700	47,390	57,660	55,000	57,118	55,000
18,096	16,897	14,302	15,187	16,272	18,970	18,000
1,150	3,250	3,000	3,200	8,079	5,475	1,500
1,491,000	1,491,251	1,501,699	1,440,716	1,369,479	1,346,272	1,306,500
45,000	45,000	70,000	70,000	30,000	55,150	55,000
37,465	33,019	32,188	32,928	32,101	30,232	30,837
6,685	7,348	6,890	6,728	6,644	6,154	6,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

Function/Program	2001	2002	2003
Public Safety			
Police			
Stations	1	1	1
Patrol Vehicles	38	38	34
Fire			
Fire Stations	3	3	3
Fire Engines/Vehicles	25	24	28
Public Works			
Residential Streets (Miles)	134	134	134
Water			
Water Mains (Miles)	158	158	158
Fire Hydrants	2,500	2,141	2,200
Storage Capacity (Gallons)	8.8M	8.8M	8.8M
Wastewater			
Sanitary Sewers (Miles)	93	93	93
Storm Sewers (Miles)	123	123	123
Combined Sewers (Miles)	59	59	59

Data Source: Various Village Departments

* As a result of more detailed information captured in GIS, only those assets owned by the Village are are reflected effective with 2010.

2004	2005	2006	2007	2008	2009	2010*
1	1	1	1	1	1	1
36	38	39	35	35	34	34
3	3	3	3	3	3	3
25	23	22	22	22	22	22
134	134	134	134	134	134	134
163	163	164	166	166	166	162
2,230	2,200	2,309	2,328	2,328	2,328	2,295
8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
93	93	93	93	93	93	71
123	123	123	123	124	124	128
59	59	59	59	59	59	54

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Building Permits and Construction Value - Last Ten Fiscal Years
December 31, 2010 (Unaudited)**

<u>Fiscal Year</u>	<u>Reported Number of Building Permits</u>	<u>Reported Construction Value</u>
2001	9	\$ 7,019,800
2002	45	10,026,500
2003	18	9,137,200
2004	29	7,879,100
2005	46	19,494,000
2006	30	9,933,288
2007	12	3,942,866
2008	6	2,075,000
2009	8	2,688,000
2010*	3	799,496

* Cumulative number of reported building permits and value of reported construction year to date, as of December 2010

Data Sources:
U. S. Census Bureau

**VILLAGE OF MOUNT PROSPECT, COOK COUNTY, ILLINOIS
FINANCIAL INFORMATION**

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2010	As Per Cent of		Per Capita 2000 Census 56,265
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2009	\$ 2,064,830,321 ⁽³⁾	100.00%	33.33%	\$ 36,698.31
Estimated True Value of Taxable Real Property, 2009	6,194,490,963	300.00%	100.00%	110,094.93
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 39,830,000	1.93%	0.64%	\$ 707.90
Self-Supporting Debt	-	0.00%	0.00%	-
Total Direct Bonded Debt	\$ 39,830,000	1.93%	0.64%	\$ 707.90
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 46,221,848	2.24%	0.75%	\$ 821.50
Other Than Schools	65,401,454	3.17%	1.06%	1,162.38
Total Overlapping Bonded Debt	\$ 111,623,302	5.41%	1.80%	\$ 1,983.89
Total Direct and Overlapping Bonded Debt	\$ 151,453,302	7.33%	2.44%	\$ 2,691.79
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 151,453,302	7.33%	2.44%	\$ 2,691.79

- Notes:
1. The Village is a home-rule unit under the Illinois constitution and, therefore, has no debt limit nor is it required to seek referendum approval for the issuance of general obligation debt.
 2. See "Detailed Overlapping Bonded Indebtedness Payable From Property Taxes at December 31, 2010".
 3. The Village's 2009 equalized assessed valuation includes \$47,418,968 incremental valuation in the Village's tax increment financial district.

**RETIREMENT SCHEDULE OF OUTSTANDING VILLAGE GENERAL OBLIGATION BONDED DEBT (Note 1)
(As of December, 31, 2010)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments	Total Maturities		Levy Year	Property Taxes
	Property Taxes (2)	Annual Amount	Cumul. Percent		
2011	1,745,000	1,745,000	4.4%	2010	3,375,745
2012	1,865,000	1,865,000	9.1%	2011	3,426,338
2013	1,930,000	1,930,000	13.9%	2012	3,416,300
2014	2,040,000	2,040,000	19.0%	2013	3,448,563
2015	2,140,000	2,140,000	24.4%	2014	3,465,503
2016	2,345,000	2,345,000	30.3%	2015	3,581,324
2017	2,455,000	2,455,000	36.5%	2016	3,593,451
2018	2,565,000	2,565,000	42.9%	2017	3,606,794
2019	2,690,000	2,690,000	49.6%	2018	3,631,625
2020	2,825,000	2,825,000	56.7%	2019	3,658,151
2021	2,955,000	2,955,000	64.2%	2020	3,672,374
2022	3,035,000	3,035,000	71.8%	2021	3,629,518
2023	1,475,000	1,475,000	75.5%	2022	1,943,938
2024	1,560,000	1,560,000	79.4%	2023	1,973,238
2025	1,650,000	1,650,000	83.5%	2024	2,000,838
2026	1,750,000	1,750,000	87.9%	2025	2,031,538
2027	1,850,000	1,850,000	92.6%	2026	2,056,288
2028	1,955,000	1,955,000	97.5%	2027	2,080,350
2029	1,000,000	1,000,000	100.0%	2028	1,037,375
	\$ 39,830,000	\$ 39,830,000			

- Notes:
1. The Village is a home rule unit under the 1970 Illinois Constitution and as such has no debt limit, nor is it required to seek referendum approval for the issuance of general obligation debt. The Village has entered into five installment contracts with the Illinois EPA (excluded from the table above) to provide funding for a portion of the Village's storm water/flood control program. The installment contracts (each with semi annual payments) have final maturities on July 12, 2013, May 1, 2014, December 10, 2014, November 1, 2017 and June 3, 2019. Total principal outstanding on the IEPA installment contracts was \$2,789,256 as of December 31, 2010. Debt service is being paid from the Village's ¼ cent home rule sales tax instituted effective September 1, 1991 for the purpose of funding the Village's \$18.6 million flood control program.
 2. Includes the Series 2002 Library Bonds, Series 2003 Bonds, Series 2006 Library Refunding Bonds, and the Series 2009, 2009B and 2009C Bonds. An intergovernmental agreement between the Village and the Mount Prospect Public Library requires the Library to levy taxes sufficient to cover 100% of the debt service (\$15,590,000) on the Series 2002 Library Bonds and Series 2006 Library Refunding Bonds.

DEBT RATIOS AND PER CAPITAL DEBT—LAST TEN GENERAL OBLIGATION BOND SALES (Note 1)

Village Issue		Ratio to Estimated Actual Value				Per Capita (3)	
		Direct Debt		Direct & Overlapping Debt		Direct & Overlapping Debt	
		Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)	Including Self-Supporting	Excluding Self-Supporting (2)
Sale Date	Amount						
March 2, 1999	5,550,000	0.87%	0.16%	3.34%	2.63%	1,864.85	1,468.94
June 6, 2000	2,165,000	0.79%	0.13%	3.10%	2.44%	1,868.30	1,471.99
October 2, 2001	5,000,000	0.80%	0.25%	3.33%	2.78%	1,961.83	1,638.49
March 5, 2002	6,585,000	0.72%	0.24%	3.09%	2.61%	1,814.01	1,531.62
May 21, 2002	20,500,000	1.34%	0.86%	4.03%	3.55%	2,360.04	2,077.65
January 21, 2003	12,235,000	1.39%	1.05%	3.77%	3.43%	2,544.05	2,316.16
December 15, 2006	10,000,000	0.78%	0.69%	2.72%	2.63%	2,362.39	2,287.21
February 17, 2009	10,000,000	0.72%	0.72%	2.45%	2.45%	2,445.85	2,445.85
December 1, 2009	3,430,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42
December 1, 2009	2,650,000	0.70%	0.70%	2.47%	2.47%	2,749.42	2,749.42

- Notes:
1. Taken from applicable Official Statements.
 2. Excludes the Village's general obligation bonds which are payable from non-property taxes.
 3. Village population estimates used in these calculations were 53,168 in 1999-2000 and 56,265 in 2001-2009.

EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES (Note 1)

Tax Levy Year (2)	Real Property			
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)	Increase Over Prior Year
2004	1,491,177,145	24,825,500	1,516,002,645	13.1%
2005	1,594,975,722	34,455,000	1,629,430,722	7.5%
2006	1,597,309,461	42,357,450	1,639,666,911	0.6%
2007	1,870,325,316	46,887,069	1,917,212,385	16.9%
2008	1,979,496,030	48,422,280	2,027,918,310	5.8%
2009	2,017,411,353	47,418,968	2,064,830,321	1.8%

- Notes:
1. Property in Cook County is separated into two primary classifications for assessment purposes (10% for residential and 25% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established—tax rates are applied to the equalized valuation.
 2. Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2007.
 3. Excludes four categories of exemptions: the Senior Citizens' Homestead Exemption; the General Homestead Exemption; the Senior Citizens' Tax Freeze Homestead Exemption and the Long-Term Homeowner Exemption.
 4. The Village's tax rate is calculated based on the village's Net Equalized Assessed Valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the County Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

**DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES AT
DECEMBER 31, 2010**

SCHOOL DISTRICTS:	Percent of Village's 2009 Real Property in Taxing Body	Gross Bonded Debt (1)	Village's Applicable Share of Gross Debt to be Paid From Property Taxes (2)	
			Percent	Amount
Elementary Districts:				
Mount Prospect No. 57	34.8%	14,470,000	94.045%	13,608,312
River Trails No. 26	28.2%	7,575,000	76.571%	5,800,253
Community Consolidated No. 59	27.7%	22,315,000	14.573%	3,251,965
Wheeling Community Consolidated No. 21	3.5%	42,645,775	2.981%	1,271,271
Prospect Heights No. 23	2.9%	3,345,000	7.869%	263,218
Arlington Heights No. 25	2.8%	15,190,000	2.714%	412,257
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	30,020,000	17.745%	5,327,049
Maine Township No. 207	0.2%	12,220,000	0.049%	5,988
Community Colleges:				
Harper No. 512	99.8%	187,900,000	8.665%	16,281,535
Total Schools				46,221,848
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,293,495,000	1.134%	37,348,233
Metropolitan Water Reclamation District	100.0%	1,979,203,000	1.157%	22,899,379
Park Districts:				
Mount Prospect	64.3%	7,185,000	62.054%	4,458,580
Arlington Heights	2.5%	34,606,000	1.432%	495,558
Des Plaines	1.6%	7,270,000	1.654%	120,246
Prospect Heights	3.6%	509,215	15.604%	79,458
Total Other Than Schools				65,401,454

- Notes: 1. Excludes principal amounts outstanding on "alternate bonds" issued pursuant to Public Act 85-1419, which are considered to be self-supporting since they are payable from user fees or other pledged non-property tax sources.
2. Village's share based upon 2009 Real Property valuations.

TAX RATES PER \$100 EQUALIZED ASSESSED VALUATION (Note 1)

	Levy Years				
	2005	2006	2007	2008	2009
Village of Mount Prospect:					
Bonds and Interest	\$ 0.092	\$ 0.083	\$ 0.071	\$ 0.093	\$ 0.076
Pensions (Police, Fire)	0.156	0.168	0.153	0.156	0.190
Corporate	0.457	0.469	0.416	0.393	0.399
Garbage	0.122	0.126	0.110	0.090	0.089
Total Village	\$ 0.827	\$ 0.846	\$ 0.750	\$ 0.732	\$ 0.754
Cook County, Including Forest Preserve District	0.593	0.557	0.499	0.466	0.443
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261
Mount Prospect Park District	0.459	0.474	0.411	0.407	0.411
Mount Prospect Public Library	0.466	0.482	0.439	0.441	0.450
Special Service Area No. 5	0.117	0.118	0.101	0.096	0.095
Community Consolidated School District No. 59	1.933	2.013	1.791	1.810	1.945
Township High School District No. 214	1.759	1.823	1.621	1.587	1.636
Harper College No. 512	0.281	0.288	0.260	0.256	0.258
All Other	0.090	0.076	0.077	0.067	0.093
Total (2)	\$ 6.840	\$ 6.961	\$ 6.212	\$ 6.114	\$ 6.346
 Village as a Percent of Total	12.1%	12.2%	12.1%	12.0%	11.9%

- Notes: 1. As a home rule unit under the 1970 Illinois Constitution, the Village has no statutory tax rate or levy limitations.
 2. Tax rate applicable to the largest tax code in the Village and most recent available from Cook County.

**TAX EXTENSIONS AND COLLECTIONS
(Village Purposes Only)**

Levy Year	Collection Year	Total Taxes Extended	Total Taxes Collected as of December 31, 2010 (Note 1)	
			Amount	Percent (2)
2005	2006	13,175,689	12,884,128	97.79%
2006	2007	13,506,574	13,272,925	98.27%
2007	2008	14,014,838	13,715,015	97.86%
2008	2009	14,472,269	14,347,664	99.14%
2009	2010	15,194,636	14,856,084	97.77%

- Notes: 1. Source: Cook County Treasurer's Office. Tax payments, including late payments and proceeds from tax sales, are shown as collections in the year when due. The "Amount Collected" is not the same as distributions to the Village because tax refunds (pursuant to court orders, first time homestead exemptions other exemptions, etc.) are deducted from "Amount Collected" and interest earnings are added to "Amount Collected" in calculating the distributions.
 2. Cook County property taxes are payable in two installments: the first on March 1, and the second on the latter of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill and is one-half of the prior year's bill. The second installment is based on the current levy, assessment and equalization and reflects any changes from the prior year in those factors.

TEN LARGEST TAXPAYERS

Rank	Taxpayer	Business/Properties	Equalized Assessed Valuation (1)	Percent of Village (2)
1	Randhurst	Shopping Center	\$ 32,755,202	1.62%
2	CRP Holdings	Real Estate	25,180,511	1.25%
3	Mount Prospect Plaza	Shopping Center	22,601,808	1.12%
4	Home Properties Colony	Colony Square Apartments	22,593,120	1.12%
5	Golf Plaza I & II	Shopping Center	19,757,198	0.98%
6	Cummins Allison Corp	Manufacturing	13,068,500	0.65%
7	McRIL, LLC	Commercial Sales Store	12,834,736	0.64%
8	Huntington Square	Apartments	11,761,137	0.58%
9	Costco Property Tax	Commercial Sales Store	9,152,652	0.45%
10	Rand Development LLC	Real Estate	8,747,159	0.43%
			<u>\$ 178,452,023</u>	<u>8.84%</u>

- Notes: 1. Valuations as of January 1, 2009 for 2010 tax purposes.
 2. Total 2009 Village valuation excluding incremental valuation in the Village's tax increment district is \$2,017,411,353.

2003 AND 2009 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2003	2009	% Increase	2003	2009
Residential	823,558,021	1,452,220,540	76.33%	62.30%	71.98%
Commercial	339,716,638	387,256,513	13.99%	25.70%	19.20%
Industrial	158,341,177	177,285,176	11.96%	11.98%	8.79%
Railroad	271,107	649,124	139.43%	0.02%	0.03%
Total	1,321,886,943	2,017,411,353	52.62%	100.00%	100.00%

* Excludes the incremental valuation in the Village's tax increment financing district (classified as commercial valuation). A breakdown by property classification of the Village's levy year 2010 valuation is not available as of the date of this report.

GENERAL FUND (Note 1)

**Summary Statement of Revenues, Expenditures and Changes in Fund Balance
(Fiscal Years Ending December 31)**

	Actual				2010	
	2006	2007	2008	2009	Budget	Actual
Revenues:						
Property Taxes	9,648,141	9,896,594	10,438,261	10,738,759	11,707,000	11,719,530
Sales Taxes	8,824,103	8,811,400	10,066,919	9,055,194	10,200,000	10,388,196
State Income Taxes	4,606,804	4,980,054	5,326,270	4,573,162	4,445,000	4,428,176
Licenses, Permits & Fees	3,216,982	3,445,370	3,094,828	3,672,054	3,461,000	3,394,211
Utility Taxes	4,359,595	4,620,256	4,757,979	4,519,175	5,773,000	5,709,895
Charges for Service	1,186,990	1,631,636	1,511,172	1,691,169	1,697,000	1,655,275
Fines & Forfeits	521,473	720,673	720,351	529,655	519,500	556,178
Interest Income	474,141	479,704	256,844	64,955	50,000	43,540
Food & Beverage Tax	621,240	797,730	776,268	751,121	788,000	790,965
Real Estate Transfer Tax	1,082,498	789,912	643,082	405,300	400,000	379,942
All Other Revenues	3,031,405	3,764,388	3,491,085	2,864,926	1,752,100	1,646,416
Total Revenues	\$ 37,573,372	\$ 39,937,717	\$ 41,083,059	\$ 38,865,470	\$ 40,792,600	\$ 40,712,324
Expenditures:						
General Government						
Public Representation Division	116,278	123,983	163,820	119,564	163,180	155,765
Village Manager's Office	2,110,668	2,442,227	2,828,495	3,015,431	2,538,781	2,451,642
Television Services Division	174,164	164,809	193,430	193,273	204,049	188,258
Village Clerk's Office	195,420	196,054	198,860	208,123	211,493	203,020
Finance Department	1,676,743	1,732,616	1,584,723	1,564,367	1,568,213	1,571,136
Community Development - Administration	584,857	593,980	710,403	649,803	679,595	625,171
Benefit Payments	43,609	44,533	45,460	45,590	52,600	45,724
Total General Government	\$ 4,901,739	\$ 5,298,202	\$ 5,725,191	\$ 5,796,151	\$ 5,417,911	\$ 5,240,716
Public Safety:						
Police Department	12,478,295	13,318,324	13,883,553	14,150,722	14,708,164	14,512,406
Fire & Emergency Protection Department	9,930,749	10,549,631	11,068,216	11,338,494	11,659,077	11,443,146
Code Enforcement	758,010	839,085	849,746	859,191	931,412	909,852
Total Public Safety	\$ 23,167,054	\$ 24,707,040	\$ 25,801,515	\$ 26,348,407	\$ 27,298,653	\$ 26,865,404
Highways & Streets	5,506,275	7,299,378	7,176,947	6,424,112	6,084,102	5,925,170
Health	121,031	119,773	119,067	126,152	129,093	125,512
Welfare	1,045,607	1,210,945	1,330,261	1,518,685	1,669,515	1,573,887
Culture & Recreation	333,148	281,737	381,892	358,207	361,756	313,125
Transfers Out	1,207,827	12,797	822,274	635,100	861,000	450,000
Total Expenditures	\$ 36,282,681	\$ 38,929,872	\$ 41,357,147	\$ 41,206,814	\$ 41,822,030	\$ 40,493,814
Revenues Over (Under) Expenditures	\$ 1,290,691	\$ 1,007,845	\$ (274,088)	\$ (2,341,344)	\$ (1,029,430)	\$ 218,510
Ending Fund Balance	\$ 11,807,068	\$ 12,814,913	\$ 12,540,825	\$ 10,199,481	\$ 9,170,051	\$ 10,417,991

Balance Sheet – December 31

Assets:	2006	2007	2008	2009	2010
Cash & Investments	\$ 7,038,324	\$ 7,184,546	\$ 6,906,762	\$ 3,478,913	\$ 4,067,456
Receivables					
Property Taxes	9,979,918	10,978,708	10,656,198	11,796,455	12,668,700
Other Taxes	1,215,146	1,494,634	1,255,498	882,194	5,553,370
All Other	222,962	264,615	319,515	453,866	484,576
Due From Other Funds	1,746,404	1,507,604	1,674,287	2,054,902	1,563,298
Due From Other Governments	2,763,050	3,509,591	3,034,026	3,839,368	409,880
All Other Assets	73,529	40,910	228,750	88,492	53,536
Total Assets	<u>\$ 23,039,333</u>	<u>\$ 24,980,608</u>	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>
Liabilities & Fund Balance					
Accounts Payable	\$ 382,346	\$ 517,801	\$ 612,347	\$ 466,189	\$ 669,697
Deferred Revenues					
Property Taxes	9,979,918	10,418,303	10,642,163	11,635,298	11,392,567
All Other Liabilities	870,001	1,229,591	279,701	293,222	2,320,561
Fund Balance:					
Nonspendable	73,529	40,910	228,750	88,492	53,536
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	11,733,539	12,774,003	12,312,075	10,110,989	10,364,455
Total Fund Balance	<u>\$ 11,807,068</u>	<u>\$ 12,814,913</u>	<u>\$ 12,540,825</u>	<u>\$ 10,199,481</u>	<u>\$ 10,417,991</u>
Total Liabilities & Fund Balance	<u>\$ 23,039,333</u>	<u>\$ 24,980,608</u>	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>

Notes: 1. This condensed financial information for the years ending December 31, 2006-2010 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the Village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

COMBINED STATEMENT—ALL FUNDS (Note 1)

**Fund Balances 2006-2009 and Summary 2010 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

	Fiscal Year Ended December 31, 2010									
	2006	2007	2008	2009	Revenue Incl. Transfers		Revenue Over (Under)		Fund Balance	
					Property Tax	Total	Expenditures			
Governmental Fund Types (2):										
General Fund *	\$ 11,807,068	\$ 12,814,913	\$ 12,540,825	\$ 10,199,481	\$ 11,719,530	\$ 40,713,475	\$ 218,510	\$ 10,417,991		
Special Revenue Funds:										
Motor Fuel Tax	\$ 537,303	\$ 337,147	\$ (95,687)	\$ (448,734)	\$ -	\$ 1,744,093	\$ 218,440	\$ (230,294)		
Community Development Block Grant	-	-	-	-	-	485,918	-	-		
Local Law Enforcement Block Grant	163	-	-	-	-	-	-	-		
Refuse Disposal *	1,980,777	2,164,126	2,294,466	2,255,013	1,743,168	4,009,020	6,622	2,261,635		
Asset Seizure	74,769	77,320	54,751	50,411	-	15,912	9,794	60,205		
DEA shared Funds	49,493	37,677	31,857	19,209	-	54	(2,460)	16,749		
DUI Fines	35,774	30,245	18,461	27,153	-	14,492	14,149	41,302		
Foreign Fire Tax Fund	52,533	80,872	85,970	121,037	-	55,803	(4,903)	116,134		
Total Special Revenue	\$ 2,730,812	\$ 2,727,387	\$ 2,389,818	\$ 2,024,089	\$ 1,743,168	\$ 6,305,292	35,067	\$ 2,265,731		
Debt Service *	465,990	94,398	(908,316)	(485,124)	2,531,392	2,576,719	406,280	(78,844)		
Series 2009 Construction *	-	-	-	3,043,571	-	499,944	(2,886,890)	156,681		
Capital Projects (3)	4,428,063	4,850,533	2,480,123	3,334,898	2,197,631	5,391,330	1,038,574	4,373,472		
Total Governmental	\$ 19,431,933	\$ 20,487,231	\$ 16,502,450	\$ 18,116,915	\$ 18,191,721	\$ 55,486,760	\$ (1,188,459)	\$ 17,135,031		
Proprietary & Fiduciary Fund Types										
Enterprise Funds (4):										
Water and Sewer *	\$ 24,309,160	\$ 26,120,909	\$ 27,379,256	\$ 28,090,349	\$ 1,513,114	\$ 10,506,544	\$ 547,583	\$ 28,637,932		
Village Parking System	184,903	150,073	249,712	317,792	-	300,375	15,766	333,558		
Internal Service Funds (5)	13,123,794	14,659,768	14,632,472	15,009,509	-	8,162,693	(415,033)	14,594,476		
Pension Trust Funds:										
Police Pension	40,084,647	42,963,185	36,262,943	41,020,480	-	6,868,304	3,519,831	44,540,311		
Firefighter's Pension	40,166,885	43,030,181	36,681,856	40,800,750	-	6,168,714	3,060,229	43,860,979		
Total Proprietary & Fiduciary	\$ 117,869,389	\$ 126,924,116	\$ 115,206,239	\$ 125,238,880	\$ 1,513,114	\$ 32,006,630	\$ 6,728,376	\$ 131,967,256		
Discreetly Presented Component Unit:										
Mount Prospect Public Library	\$ 4,020,453	\$ 4,171,946	4,801,850	5,043,284	\$ 8,895,510	\$ 9,226,268	\$ 601,608	5,644,892		
Total All Funds (Memo Only)	\$ 141,321,775	\$ 151,583,293	\$ 136,510,539	\$ 148,399,079	\$ 28,600,345	\$ 96,719,658	\$ 6,141,525	\$ 154,747,179		

* Designated as major funds.

Cash & Investments at 12/31 (6):	2006	2007	2008	2009	2010
General Fund	\$ 7,038,324	\$ 7,184,546	\$ 6,906,762	\$ 3,478,913	\$ 4,067,466
Internal Service Funds	10,073,099	10,820,995	11,031,805	10,350,298	9,720,037
Refuse Disposal	1,795,604	1,853,585	2,055,278	2,005,380	1,885,464
Other Special Revenue Funds	1,491,014	1,175,936	464,682	227,363	258,648
Debt Service Funds	556,087	370,799	(238,703)	163,099	438,301
Subtotal	\$ 20,954,128	\$ 21,405,861	\$ 20,219,824	\$ 16,225,053	\$ 16,369,906
Capital Project Funds	4,817,224	4,671,780	2,323,527	8,621,164	3,635,004
Water & Sewer	3,911,189	4,342,452	4,231,532	3,648,859	3,148,880
Other Enterprise Funds	70,894	104,143	358,890	438,421	369,051
Pension Trust Funds	79,774,305	85,551,369	72,563,407	81,418,602	87,488,289
Other Fiduciary Funds	1,711,374	2,033,936	1,816,941	1,411,976	1,226,743
Discreetly Presented Component Unit	4,484,981	4,544,340	5,174,060	4,688,713	4,070,978
Total	\$ 115,724,095	\$ 122,653,881	\$ 106,688,181	\$ 116,432,788	\$ 116,308,851

- Notes:
- This condensed financial information for the years ending December 31, 2005-2010 has been excerpted from the full Comprehensive Annual Financial Reports of the Village. The accounting policies of the village conform to GAAP and are disclosed in the audited financial statements. A summary of some of the policies are: All Governmental Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets; expenditures are recognized when the related fund liability is incurred. All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. This table excludes the Village's Expendable Trust Funds and Agency Funds. The Village's Comprehensive Annual Financial Report for the year ended December 31, 2010 included an unqualified "Independent Auditor's Report". Similar unqualified opinions were included in the Village's Comprehensive Annual Financial Reports for the years ending December 31, 2006-2009. The "Independent Auditor's Report" included in the latest audit states, in part:
"In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discreetly presented component unit, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America."
 - The Village's property tax revenue recognition policy conforms to the provisions of "NCGA Interpretation 3, Revenue Recognition Property Taxes." The current net tax levy receivable is recognized in the balance sheet along with a corresponding amount of deferred revenue. In addition, the debt service payments and liabilities related to the current net tax levy are not reflected in the Debt Service Funds; the un-matured principal is reflected in the General Long-Term Debt Account Group.
 - Includes the Capital Improvement Fund, which accounts for the resources used to provide for mid-sized capital projects. Financing is provided by one-quarter cent home rule sales tax, developer contributions, transfers from other funds, interest income, and bond proceeds.
 - Fund balances shown for the Enterprise Funds are total fund equity, including contributed capital and retained earnings, and the column "Revenue Over Expenditures" represents the change in that amount.
 - The Village created a Risk Management Fund in 1984 to account for the servicing and payment of claims for liability, property, casualty coverage and Workers' Compensation. Financing is provided by charges to the various Village funds. The Village created a Vehicle Replacement Fund in fiscal year 1991 to account for the acquisition and depreciation of Village vehicles. Financing is provided by charges to the General, Water and Sewer, and Parking Funds. The Village created a Vehicle Maintenance Fund in 1996 to account for maintenance and repair of all Village vehicles except Fire Department vehicles. In 1997, the Village created a Computer Replacement Fund to account for the acquisition and depreciation of Village computer hardware.
 - Excludes agency funds.

CAPITAL ASSETS (Note)
(December 31, 2010)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 9,683,707	Land	\$ 252,618
Total Assets Not Being Depreciated	\$ 9,683,707	Total Assets Not Being Depreciated	\$ 252,618
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 40,049,381	Buildings and Improvements	\$ 11,247,758
Improvements Other Than Buildings	1,716,079	Equipment	4,442,788
Infrastructure and All Other	62,018,273	Infrastructure	38,039,248
Total Capital Assets Being Depreciated	\$ 103,783,733	Total Capital Assets Being Depreciated	\$ 53,729,794
Less Accumulated Depreciation	\$ 56,351,242	Less Accumulated Depreciation	\$ 30,938,348
Total Capital Assets Being Depreciated, Net	\$ 47,432,491	Total Capital Assets Being Depreciated, Net	\$ 22,791,446
Net Assets	\$ 57,116,198	Net Assets	\$ 23,044,064

Note: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$20,000, except for infrastructure for which the cost is \$50,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.