

Village of Mount Prospect, Illinois



*Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2011*

**VILLAGE OF MOUNT PROSPECT,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2011

Prepared by:
Finance Department

David O. Erb
Finance Director

Lynn M. Jarog
Deputy Finance Director

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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, 2011

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

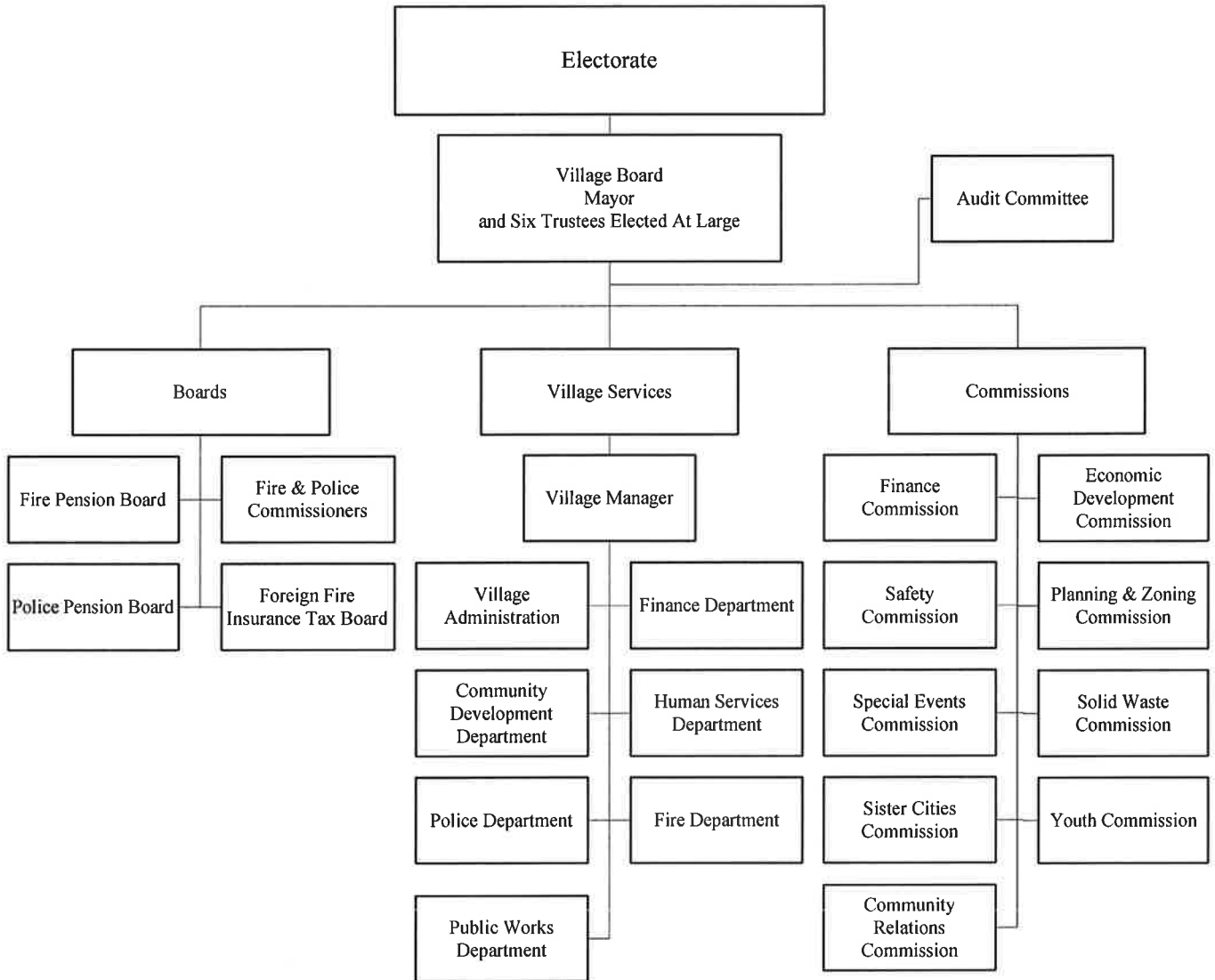
John Malcolm, Fire Chief

John Dahlberg, Police Chief

Sean P. Dorsey, 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

May 10, 2012

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, 2011 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, 2011, 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, 2011 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 54,167.

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 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** saw approximately five miles of local streets resurfaced at a cost of \$2,096,690. It should be noted that due to dwindling revenues we currently have a \$4 million backlog of streets in need of resurfacing. An emphasis on finding a way to fund the backlog will need to be a priority in 2012.
- In the wake of completing the **Standardized Neighborhood Intersection Control and Speed Limit Program (2010)**, the Village adopted a **Comprehensive Traffic Calming Policy** in 2011. Countless hours and many years have gone into this effort. The result is a Traffic Control program that has brought uniformity to the Village-wide street grid, taken the "politics" out of the decision making process and employed empirical studies and best practices to neighborhood traffic control. Arguably, this program is unique in its scope and depth throughout the country.

- 2011 saw the completion of the seventh year of a 15-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 1,626 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 105 linear feet of severely failed (Category 3, 4 & 5) sewer pipe was excavated and replaced. In total, during the first seven years of this program 67,308 linear of feet of pipe has been lined and 862 linear feet of pipe has been replaced. 100% of all Category 5 defects, 95% of all Category 4 defects and 20% of category 3 defects have been repaired to date. Total water and sewer funds expended on this project during 2011 were \$643,005.
- Efforts on the **Economic Development** front remained slow with a few notable exceptions. Randhurst Village continued its momentum in 2011 by completing construction on a significant number of the shell buildings. Recent Randhurst Village tenants include: AMC Theater, Charming Charlie’s, Old Navy, Carters, TJ Maxx, Pet Smart, Wet Seal, Pei-Wei, Tony Sacco’s, and Subway. Additionally, the parking garage opened offering Randhurst shoppers’ sheltered parking. Construction will continue on the site through 2011 with interior tenant build-outs anticipated to continue into 2012. New tenants include Cost Plus World Market, Black Finn Restaurant and Hampton Inn and Suites Hotel. Several other restaurants that opened during 2011 included Black Cow Steak House, Emerson Ale House and Sankalp (Indian Cuisine).

Staff has also worked diligently to develop a more robust business attraction and retention program with special emphasis on the central business district. A key focus of the program is a peer business review council that will assess the business plans of first time entrepreneurs and advise and mentor them in an effort to increase their chances of success. Additionally, business visitations continued under the auspices of the Economic Development Commission in an effort to gauge the overall business climate in Mount Prospect and assist in retaining existing businesses or helping those businesses to grow.

- The **Community Connection Center (CCC)** celebrated its 2nd anniversary in August, 2011. First opened in August 2009, the CCC is a collaborative effort by the Village (Human Services and Police), the Library District and a number of Education and Social Services agencies to bring much needed social, educational and cultural services to an area of town with a high concentration of low/moderate income families; many recent immigrants. In the two years since its opening, requests for assistance from all partner agencies is in the high six figures.
- Implementation of a new Village-wide **Enterprise Resource Planning (ERP)** software system continued at a steady pace. Modules up and running include Financial Management (module includes revenue collections, annual budget, A/P, procurement and miscellaneous billing) and Human Resources (module includes position budgeting, payroll, employee “eSuite” portal and HR administration). The Village went live with the Community Development module in October. The remaining module set to go live during the third quarter 2012 is Utility Management (water/sewer and refuse billing). While implementation has been challenging, the end product will increase organizational efficiency and improve customer service.

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, 2011 were \$10,614,601 compared to \$10,388,196 for the previous year, an increase of 2.2%.

The increase from the prior year is due to ordinary growth in this revenue source. Since the Village's portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$1.06 billion for 2011. The Village projects that this revenue source will increase 1.0% - 2% during 2012 and 2013. 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 Village (formerly Randhurst Mall) into a more vibrant and attractive retail center will help in this area.

Mount Prospect's average unemployment rate for 2011 was 7.4%. This was a decrease from the prior year of 40 basis points (7.8% in 2010). The minimal improvement in unemployment is indicative of an economy that is still struggling to improve. The unemployment rate for the State of Illinois decreased just 70 basis points from 10.5% to 9.8% during the same period. Mount Prospect's median family income, \$67,823 as of the 2010 Census (using 5-year estimates), was 25% higher than the median for Cook County (\$53,942) and 21% higher than the median for the State of Illinois (\$55,735).

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 - 2011. During the 2011 workshop, financial status reports were provided for end-of-year results for 2010, updated projections for 2011 and a revised forecast for 2012. Pending legislation that could impact the village along with the state's financial woes were also discussed.

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 (2013-2017), the Village has identified \$66.3 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, 2010. 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, 2011 and ending December 31, 2011. 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 2012 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 Accountants Nancy Warnock and Daxa Patel 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, 2010

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.



Linda C. Dawson

President

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 10, 2012

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 of the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2011, 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, 2011, 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 10, 2012, 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 other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents 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, 2011

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 i), 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.)

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

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, 2011 were \$108.5 million. This was a decrease in net assets of \$3.5 million from 2010. Net assets of the Village's governmental activities were \$76.4 million, a decrease of \$3.8 million. The Village's unrestricted net assets for governmental activities, the part that can be used to finance day-to-day operations, were \$20.0 million up \$1.7 million from the 2010 unrestricted net asset total of \$18.3 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, 2011 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 47.0	\$ 47.8	\$ 6.4	\$ 6.9	\$ 53.4	\$ 54.7
Capital assets	79.5	84.1	26.9	25.9	106.4	110.0
Total assets	\$ 126.5	\$ 131.9	\$ 33.3	\$ 32.8	\$ 159.8	\$ 164.7
Current liabilities	\$ 21.8	\$ 22.4	\$ 1.1	\$ 0.8	\$ 22.9	\$ 23.2
Noncurrent liabilities	28.3	29.3	0.1	0.2	28.4	29.5
Total liabilities	\$ 50.1	\$ 51.7	\$ 1.2	\$ 1.0	\$ 51.3	\$ 52.7
Net Assets						
Invested in capital assets, net of related debt	\$ 53.5	\$ 57.0	\$ 26.9	\$ 25.9	\$ 80.4	\$ 82.9
Restricted net assets	2.9	4.9	-	-	2.9	4.9
Unrestricted net assets	20.0	18.3	5.2	5.9	25.2	24.2
Total net assets	\$ 76.4	\$ 80.2	\$ 32.1	\$ 31.8	\$ 108.5	\$ 112.0

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 2010. Governmental activities unrestricted net assets increased \$1.7 million while the business-type activities net assets decreased by \$0.7 million. The governmental activities total assets decreased by \$5.4 million and the governmental activities total liabilities decreased by \$1.6 million. The total assets decrease of \$5.4 million in governmental activities was the result of a decrease of \$0.8 million in current and other assets and a decrease of \$4.6 million in capital assets. The \$0.8 million decrease in current assets was due to an increase in cash and investments of \$1.3 million, a decrease in other assets of \$0.2 million, a decrease in other receivables of \$1.3 million and a decrease in property taxes of \$1.0 million. The settlement of various due-from accounts accounted for the increase in cash and investments while the timely receipt of property taxes accounted for the decrease in receivables (Property Taxes). The total net assets increase of \$0.3 million in business-type activities was primarily due to an increase in capital assets of \$1.0 million and a reduction in current assets of \$0.5 million.

(See independent auditor's report.)

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

The decrease in total liabilities of \$1.6 million for the governmental activities was primarily due to a decrease in liabilities related to debt service and other long-term obligations of \$1.2 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 increased from \$1.0 million to \$1.2 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 2011 was a decrease of \$3.5 million. Activities for the governmental activities saw a decrease in net assets of \$3.8 million from 2010, while activities for the business-type funds saw an increase in net assets of \$0.3 million in 2011 versus an increase of \$0.5 million in 2010. The change in combined net assets in the prior year was an increase of \$1.2 million. 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, 2011 (in millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program revenues						
Charges for service	\$ 8.0	\$ 8.0	\$ 9.3	\$ 9.1	\$ 17.3	\$ 17.1
Operating grants	1.0	0.6	-	-	1.0	0.6
Capital grants	0.1	0.4	-	-	0.1	0.4
General revenues						
Property taxes	17.9	17.2	1.5	1.5	19.4	18.7
Sales taxes	15.3	14.7	0.1	0.1	15.4	14.8
Income taxes	4.3	4.4	-	-	4.3	4.4
Utility taxes	4.6	4.6	-	-	4.6	4.6
Other taxes	4.9	4.5	-	-	4.9	4.5
Investment income	0.1	0.1	-	-	0.1	0.1
Contributions	-	-	-	-	-	-
Other	0.1	0.6	0.1	0.1	0.2	0.7
Total revenue	\$ 56.3	\$ 55.1	\$ 11.0	\$ 10.8	\$ 67.3	\$ 65.9
Expenses						
General government	\$ 6.9	\$ 6.6	\$ -	\$ -	\$ 6.9	\$ 6.6
Public safety	27.3	27.3	-	-	27.3	27.3
Highways and streets	18.1	12.9	-	-	18.1	12.9
Health	4.3	4.1	-	-	4.3	4.1
Welfare	1.9	2.0	-	-	1.9	2.0
Culture and recreation	0.3	0.3	-	-	0.3	0.3
Interest	1.3	1.2	-	-	1.3	1.2
Water and sewer	-	-	10.4	10.0	10.4	10.0
Parking	-	-	0.3	0.3	0.3	0.3
Total expenses	\$ 60.1	\$ 54.4	\$ 10.7	\$ 10.3	\$ 70.8	\$ 64.7
Change in net assets	<u>\$ (3.8)</u>	<u>\$ 0.7</u>	<u>\$ 0.3</u>	<u>\$ 0.5</u>	<u>\$ (3.5)</u>	<u>\$ 1.2</u>

(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 2011 were \$56.3 million.

Property taxes are the largest revenue source for governmental activities accounting for \$17.9 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 \$15.3 million in revenue. This was an increase of \$0.7 million from the prior year. The increase was due primarily to the gradual improving economy and additional new retail coming on line. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. There was no change in revenues from charges for services. The income tax decreased \$0.1 million as state shared revenues continued to decline in this period of economic downturn.

Expenses:

Total expenses for the Village's Governmental Activities for 2011 were \$60.1 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2011 were \$27.3 million, no change from 2010. 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 \$18.1 million an increase of \$5.3 million from the prior year. The increase is primarily due to a restatement of capital assets resulting from a comprehensive capital asset appraisal. Depreciation recorded in 2011 was \$3.5 million.

(See independent auditor's report.)

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2011 were \$11.0 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 \$9.3 million generated in 2011, \$6.3 million is from water sales, \$2.7 million is from sewer fees and charges, \$0.2 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2010, water sales accounted for \$6.1 million and sewer fees were \$2.6 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 2011 were \$10.7 million.

Of the total expenses for business-type activities, \$10.4 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$3.7 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 \$10.0 million in expenses for 2010, \$3.6 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 \$0.4 million in 2011 from \$10.4 million to \$10.8 million. In 2011, General Fund revenues came in slightly above the final budget by \$0.1 million while expenditures came in \$1.2 million under budget. The final Village budget had anticipated a decrease in the General Fund fund balance of \$0.9 million.

Intergovernmental revenues were below budget by \$0.2 million primarily due to a shortfall in income taxes. Actual income tax receipts for 2011 came in \$0.1 million below the final budget. No other significant deviations were seen in revenues during 2011.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2011, 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 75.

Table 3
 General Fund Budgetary Changes
 Calendar Year 2011 (in millions)

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 18.6	\$ 18.6	\$ 18.9
Intergovernmental	15.7	16.6	16.4
Other	<u>6.3</u>	<u>5.9</u>	<u>5.9</u>
Total Revenues	\$ 40.6	\$ 41.1	\$ 41.2
Expenditures and Transfers			
Expenditures	\$ 40.6	\$ 42.0	\$ 40.8
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	<u>\$ 40.6</u>	<u>\$ 42.0</u>	<u>\$ 40.8</u>
 Change in Fund Balance	 <u>\$ -</u>	 <u>\$ (0.9)</u>	 <u>\$ 0.4</u>

Other Major Funds

There are two (2) other Major Funds for Fiscal Year ended December 31, 2011. These two Funds are 1) Refuse Disposal Fund, and 2) Debt Service Fund.

Refuse Disposal Fund – This Fund coordinates the Village’s comprehensive municipal solid waste program. Total revenues for 2011 were \$4.0 million, no change from the prior year. Of this total revenue amount, \$1.7 million is from property taxes and \$2.3 million is from charges for services. Total expenditures for 2011 were \$4.1 million, an increase of \$0.1 million from the prior year. Ending fund balance fell \$0.1 million to \$2.1 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 2011 were \$2.5 million, a decrease of \$0.1 million from the prior year. Of this total revenue amount, \$2.4 million is from taxes and \$0.1 million is from intergovernmental revenue. Total expenditures for 2011 were \$2.4 million, an increase of \$0.2 million from the prior year. The increase in expenditures is due to changes in the annual payment schedule. Ending fund balance improved \$0.2 million during the year from (\$0.1) million to \$0.1 million.

Capital Assets

At the end of 2011, the Village had a combined total of \$106.4 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 on the next page). The following reconciliation summarizes the changes in Capital Assets which are presented in detail beginning on page 37 of the notes.

(See independent auditor’s report.)

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

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land (including right-of-way)	\$ 10.3	\$ 10.3	\$ 17.6	\$ 17.6	\$ 27.9	\$ 27.9
Construction in Progress	-	-	-	-	-	-
Buildings & Improvements	31.6	32.1	2.0	2.1	33.6	34.2
Vehicles	3.8	4.5	-	-	3.8	4.5
Machinery & Equipment	0.8	0.8	1.2	1.3	2.0	2.1
Infrastructure	<u>33.0</u>	<u>36.4</u>	<u>6.1</u>	<u>4.9</u>	<u>39.1</u>	<u>41.3</u>
Total Capital Assets	<u>\$ 79.5</u>	<u>\$ 84.1</u>	<u>\$ 26.9</u>	<u>\$ 25.9</u>	<u>\$ 106.4</u>	<u>\$ 110.0</u>

This amount represents a net decrease (including additions and deletions) of \$3.6 million from 2010.

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(See independent auditor's report.)

Table 5
 Change in Capital Assets (in millions)

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 84.1	\$ 25.9	\$ 110.0
Additions			
Depreciable	0.4	1.4	1.8
Non-Depreciable	-	-	-
Retirements			
Depreciable	(0.5)	(0.1)	(0.6)
Non-Depreciable	-	-	-
Depreciation	(5.0)	(0.4)	(5.4)
Retirement	0.5	0.1	0.6
Ending Balance	<u>\$ 79.5</u>	<u>\$ 26.9</u>	<u>\$ 106.4</u>

Table 5 above shows the change in capital assets during 2011. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

No significant additions to capital assets during 2011.

Business-type Activities

Combined Sewer Replacement - \$0.6 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 \$30.6 million as of December 31, 2011. 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, \$5.2 million of general obligation debt was issued, \$5.8 million of general obligation debt was retired; \$0.5 million in loans payable was retired while compensated absences increased by \$128,300. In addition, the net pension obligation and OPEB increased a combined \$125,000.

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 issued new refunding debt in January 2012.

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

Total village revenues in 2011 were relatively flat from 2010. We anticipate only a slight improvement in revenues for 2012. Continuing challenges for the upcoming year include rising personnel related costs (wages insurance, etc.) and the funding of the public safety pensions. Approximately 80% of the operating budget is made up of these personnel and related costs.

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 (68.9%). Except for property and sales taxes, many of the other major revenue sources such as the income tax, saw a decline from the prior year. In addition, the real estate transfer tax continues to remain low, approximately 74% off the high back in 2005. Transfer taxes in 2005 were \$1.5 million and had fallen to \$0.4 million by 2011. We expect this revenue to remain at this bottomed out level into the near future.

The Village's average unemployment rate for 2011 was 7.8%. This is below both the state and national unemployment rate of 9.8% and 9.0% respectively. The Village's unemployment rate decreased 40 basis points from the prior year.

The 2012 Budget represents a 3.3% decrease from the amended 2011 Budget and totals \$87.6 million. The General Fund decreased \$428,495, or 1.0% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows a decrease of 3.3% and totals \$59.3 million. The Operating Budget includes all General Fund expenditures as well as refuse disposal, water and sewer service, and various special revenue activities

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, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Assets
December 31, 2011**

	Governmental Activities	Business- Type Activities	Total	Component Unit Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 21,310,794	\$ 3,039,906	\$ 24,350,700	\$ 5,485,383
Receivables - Net of Allowances				
Property Taxes	15,825,161	1,515,464	17,340,625	10,020,741
Other Taxes	6,494,158	39,650	6,533,808	-
Accounts	228,442	-	228,442	179
Utility Customers	-	1,046,449	1,046,449	-
Other	625,825	30,492	656,317	1,120
Due from Other Governments	686,650	545	687,195	7,142
Internal Balances	194,158	(194,158)	-	-
Prepays/Inventories	682,485	290,841	973,326	-
Total Current Assets	46,047,673	5,769,189	51,816,862	15,514,565
Noncurrent Assets				
Capital Assets				
Nondepreciable	10,291,446	17,551,172	27,842,618	677,552
Depreciable	136,712,010	27,139,645	163,851,655	24,934,165
Accumulated Depreciation	(67,480,440)	(17,798,343)	(85,278,783)	(9,629,276)
	79,523,016	26,892,474	106,415,490	15,982,441
Other Assets				
Deposits - Insurance	561,533	-	561,533	-
Deposit with Joint Venture	-	661,237	661,237	-
Unamortized Bond Issue Costs	34,307	-	34,307	91,684
Net Pension Asset	372,685	-	372,685	-
	968,525	661,237	1,629,762	91,684
Total Noncurrent Assets	80,491,541	27,553,711	108,045,252	16,074,125
Total Assets	126,539,214	33,322,900	159,862,114	31,588,690

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	\$ 1,515,858	\$ 967,671	\$ 2,483,529	\$ 71,499
Accrued Payroll	1,136,434	95,612	1,232,046	206,135
Due from Other Governments	3,835	-	3,835	-
Accrued Interest Payable	96,506	-	96,506	41,760
Claims Payable	1,174,656	-	1,174,656	-
Unearned/Deferred Revenues	15,832,690	23,792	15,856,482	9,855,000
Current Portion of Long-Term Liabilities	2,103,576	33,176	2,136,752	1,097,369
Total Current Liabilities	21,863,555	1,120,251	22,983,806	11,271,763
Noncurrent Liabilities				
Compensated Absences Payable	2,655,377	132,706	2,788,083	89,475
Net Pension Obligation	643,145	-	643,145	-
Net Other Post-Employment Benefits Obligation Payable	445,766	9,483	455,249	55,528
Notes/Loans Payable	1,706,824	-	1,706,824	-
General Obligation Bonds Payable - Net	22,852,082	-	22,852,082	13,355,434
Total Noncurrent Liabilities	28,303,194	142,189	28,445,383	13,500,437
Total Liabilities	50,166,749	1,262,440	51,429,189	24,772,200
NET ASSETS				
Invested in Capital Assets -				
Net of Related Debt	53,524,378	26,892,474	80,416,852	1,552,007
Restricted - Debt Service	130,563	-	130,563	689,182
Restricted - Highways and Streets	336,394	-	336,394	-
Restricted - Business District	77,195	-	77,195	-
Restricted - Public Safety	283,857	-	283,857	-
Restricted - Refuse Disposal	2,000,894	-	2,000,894	-
Restricted - Donations	-	-	-	730,942
Restricted - Working Cash	-	-	-	2,089,734
Unrestricted	20,019,184	5,167,986	25,187,170	1,754,625
Total Net Assets	\$ 76,372,465	\$ 32,060,460	\$ 108,432,925	\$ 6,816,490

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, 2011

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 6,992,107	\$ 6,343,828	\$ 142,767	\$ 20,660
Public Safety	27,276,948	1,545,333	22,577	13,013
Highways and Streets	18,141,803	108,865	421,378	32,232
Health	4,289,103	11,983	-	-
Welfare	1,902,841	-	521,382	-
Culture and Recreation	353,308	20,057	-	-
Interest on Long-Term Debt	1,329,499	-	-	-
Total Governmental Activities	60,285,609	8,030,066	1,108,104	65,905
Business-Type Activities				
Water and Sewer	10,444,247	9,081,731	-	-
Parking	327,224	219,040	-	-
Total Business-Type Activities	10,771,471	9,300,771	-	-
	\$ 71,057,080	\$ 17,330,837	\$ 1,108,104	\$ 65,905
Component Unit - Public Library	\$ 8,870,039	\$ 153,305	\$ -	\$ -

General Revenues

Taxes

 Property

 Utility

 Home Rule Sales

 Food and Beverage

 Real Estate Transfer

 Municipal Motor Fuel

 Other

 Hotel/Motel

Intergovernmental - Restricted

 Motor Fuel Tax

Intergovernmental - Unrestricted

 State Sales and Use

 Income Taxes

 Replacement Taxes

 Charitable Games Tax

Interest

Miscellaneous

Change in Net Assets

Net Assets - Beginning, as Restated

Net Assets - Ending

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

Net Expense/Revenue			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Public Library
\$ (484,852)	\$ -	\$ (484,852)	\$ -
(25,696,025)	-	(25,696,025)	-
(17,579,328)	-	(17,579,328)	-
(4,277,120)	-	(4,277,120)	-
(1,381,459)	-	(1,381,459)	-
(333,251)	-	(333,251)	-
(1,329,499)	-	(1,329,499)	-
(51,081,534)	-	(51,081,534)	-
-	(1,362,516)	(1,362,516)	-
-	(108,184)	(108,184)	-
-	(1,470,700)	(1,470,700)	-
(51,081,534)	(1,470,700)	(52,552,234)	-
-	-	-	(8,716,734)

17,942,394	1,526,828	19,469,222	9,723,507
4,624,678	-	4,624,678	-
4,673,134	107,576	4,780,710	-
867,630	-	867,630	-
363,194	-	363,194	-
339,966	-	339,966	-
306,782	-	306,782	-
99,425	-	99,425	-
1,641,064	-	1,641,064	-
11,411,781	-	11,411,781	-
4,328,196	-	4,328,196	-
357,596	-	357,596	45,840
3,986	-	3,986	-
29,043	836	29,879	6,083
235,167	73,858	309,025	97,010
47,224,036	1,709,098	48,933,134	9,872,440
(3,857,498)	238,398	(3,619,100)	1,155,706
80,229,963	31,822,062	112,052,025	5,660,784
\$ 76,372,465	\$ 32,060,460	\$ 108,432,925	\$ 6,816,490

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2011

	<u>General</u>
ASSETS	
Cash and Investments	\$ 5,512,091
Receivables - Net of Allowances	
Property Taxes	12,125,463
Other Taxes	5,511,244
Accounts	-
Other	591,111
Due from Other Governments	160,681
Due from Other Funds	568,815
Prepays/Inventories	<u>100,590</u>
 Total Assets	 <u>\$ 24,569,995</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 530,670
Accrued Payroll	1,079,671
Due to Other Funds	84,249
Due to Other Governments	-
Unearned/Deferred Revenues	<u>12,070,533</u>
Total Liabilities	<u>13,765,123</u>
Fund Balances	
Nonspendable	100,590
Restricted	-
Assigned	-
Unassigned	<u>10,704,282</u>
Total Fund Balances	<u>10,804,872</u>
 Total Liabilities and Fund Balances	 <u>\$ 24,569,995</u>

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

Refuse Disposal	Debt Service	Nonmajor Governmental	Totals
\$ 1,969,567	\$ -	\$ 3,814,531	\$ 11,296,189
1,815,627	1,761,107	122,964	15,825,161
-	198,499	784,415	6,494,158
228,442	-	-	228,442
20,171	-	11,302	622,584
-	-	514,398	675,079
-	-	-	568,815
145,255	809	1,066	247,720
<u>\$ 4,179,062</u>	<u>\$ 1,960,415</u>	<u>\$ 5,248,676</u>	<u>\$ 35,958,148</u>
\$ 219,973	\$ 300	\$ 518,489	\$ 1,269,432
10,440	-	2,933	1,093,044
-	77,609	257,048	418,906
-	3,835	-	3,835
1,802,500	1,747,299	212,358	15,832,690
2,032,913	1,829,043	990,828	18,617,907
145,255	809	1,066	247,720
2,000,894	130,563	697,446	2,828,903
-	-	3,564,914	3,564,914
-	-	(5,578)	10,698,704
2,146,149	131,372	4,257,848	17,340,241
<u>\$ 4,179,062</u>	<u>\$ 1,960,415</u>	<u>\$ 5,248,676</u>	<u>\$ 35,958,148</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, 2011

Total Governmental Fund Balances	\$ 17,340,241
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.	75,597,452
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.	13,357,039
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	(3,147,026)
Net Pension Asset	372,685
Net Pension Obligation Payable	(643,145)
Net Other Post-Employment Benefit Obligation	(443,944)
General Obligation Bonds Payable - Net of Unamortized Items	(23,742,082)
Loan Contracts Payable	(2,256,556)
Accrued Interest Payable	<u>(96,506)</u>
Net Assets of Governmental Activities	<u>\$ 76,372,465</u>

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, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended December 31, 2011

	General
Revenues	
Taxes	\$ 18,913,776
Licenses, Permits and Fees	3,356,816
Intergovernmental	16,401,311
Charges for Services	1,694,563
Fines and Forfeits	548,993
Interest	23,067
Miscellaneous	234,462
Total Revenues	<u>41,172,988</u>
Expenditures	
Current	
General Government	5,284,168
Public Safety	26,943,288
Highways and Streets	6,587,428
Health	137,446
Welfare	1,487,709
Culture and Recreation	346,068
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>40,786,107</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>386,881</u>
Other Financing Sources (Uses)	
Debt Issuance	-
Payments to Escrow Agent	-
Transfers In	-
Transfers Out	-
Net Change in Fund Balances	386,881
Fund Balances - Beginning	<u>10,417,991</u>
Fund Balances - Ending	<u>\$ 10,804,872</u>

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

Refuse Disposal	Debt Service	Nonmajor Governmental	Total Governmental Funds
\$ 1,760,425	\$ 2,497,615	\$ 6,045,387	\$ 29,217,203
-	-	-	3,356,816
-	-	2,493,950	18,895,261
2,273,333	-	6,781	3,974,677
-	-	-	548,993
-	-	36	23,103
64	47,258	124,334	406,118
4,033,822	2,544,873	8,670,488	56,422,171
-	-	-	5,284,168
-	-	49,247	26,992,535
-	-	1,094,106	7,681,534
4,149,308	-	-	4,286,754
-	-	415,132	1,902,841
-	-	-	346,068
-	-	7,274,213	7,274,213
-	1,377,700	-	1,377,700
-	1,057,464	-	1,057,464
4,149,308	2,435,164	8,832,698	56,203,277
(115,486)	109,709	(162,210)	218,894
-	5,160,000	-	5,160,000
-	(5,139,582)	-	(5,139,582)
-	80,089	-	80,089
-	-	(115,342)	(115,342)
-	100,507	(115,342)	(14,835)
(115,486)	210,216	(277,552)	204,059
2,261,635	(78,844)	4,535,400	17,136,182
\$ 2,146,149	\$ 131,372	\$ 4,257,848	\$ 17,340,241

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, 2011

Net Change in Fund Balances - Total Governmental Funds **\$ 204,059**

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	262,658
Depreciation Expense	(4,241,368)

The Net Effect of Various Transactions Involving Capital Assets
is to Decrease Net Assets

Disposals - Cost	(27,830)
Disposals - Accumulated Depreciation	22,265

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	(170,848)
Additions to Net Pension Obligation Payable	(30,080)
Additions to Net Other Post-Employment Benefit Obligations	(10,467)
Premium on Refunding	6,226
Issuance of General Obligation Bonds Payable	(5,160,000)
Retirement of General Obligation Bonds Payable	5,770,000
Amortization of Bond Discount	(51,626)
Retirement of Loan Contracts Payable	532,700

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. (951,134)

Changes in Net Assets of Governmental Activities **\$ (3,857,498)**

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, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Activities Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 2,709,629	\$ 330,277	\$ 3,039,906	\$ 10,014,605
Receivables - Net of Allowances				
Property Taxes	1,515,464	-	1,515,464	-
Other Taxes	10,545	29,105	39,650	-
Accounts - Billed	598,768	-	598,768	-
Accounts - Unbilled	447,681	-	447,681	-
Other	30,492	-	30,492	3,241
Due from Other Governments	545	-	545	11,571
Prepays	314	-	314	25,059
Inventories	290,527	-	290,527	409,706
Total Current Assets	<u>5,603,965</u>	<u>359,382</u>	<u>5,963,347</u>	<u>10,464,182</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	17,318,818	232,354	17,551,172	-
Depreciable	26,774,845	364,800	27,139,645	10,458,210
Accumulated Depreciation	(17,433,543)	(364,800)	(17,798,343)	(6,532,646)
	<u>26,660,120</u>	<u>232,354</u>	<u>26,892,474</u>	<u>3,925,564</u>
Other Assets				
Deposits - Insurance	-	-	-	561,533
Deposit with Joint Venture	661,237	-	661,237	-
	<u>661,237</u>	<u>-</u>	<u>661,237</u>	<u>561,533</u>
Total Noncurrent Assets	<u>27,321,357</u>	<u>232,354</u>	<u>27,553,711</u>	<u>4,487,097</u>
Total Assets	<u>32,925,322</u>	<u>591,736</u>	<u>33,517,058</u>	<u>14,951,279</u>

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	\$ 952,912	\$ 14,759	\$ 967,671	\$ 202,177
Accrued Payroll	92,452	3,160	95,612	43,390
Claims Payable	-	-	-	1,174,656
Due to Other Funds	-	194,158	194,158	-
Unearned/Deferred Revenue	-	23,792	23,792	-
Compensated Absences Payable	32,454	722	33,176	34,439
Total Current Liabilities	1,077,818	236,591	1,314,409	1,454,662
Noncurrent Liabilities				
Compensated Absences Payable	129,817	2,889	132,706	137,756
Net Other Post-Employment Benefits Obligation Payable	9,213	270	9,483	1,822
Total Noncurrent Liabilities	139,030	3,159	142,189	139,578
Total Liabilities	1,216,848	239,750	1,456,598	1,594,240
NET ASSETS				
Invested in Capital Assets	26,660,120	232,354	26,892,474	3,925,564
Unrestricted	5,048,354	119,632	5,167,986	9,431,475
Total Net Assets	\$ 31,708,474	\$ 351,986	\$ 32,060,460	\$ 13,357,039

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, 2011

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 9,081,731	\$ 219,040	\$ 9,300,771	\$ 8,093,831
Contributions	-	-	-	1,087,496
Miscellaneous	-	-	-	5,912
Total Operating Revenues	9,081,731	219,040	9,300,771	9,187,239
Operating Expenses				
Administration and Maintenance	9,997,460	327,224	10,324,684	2,383,127
Insurance and Claims	-	-	-	7,031,444
Depreciation	446,787	-	446,787	797,797
Total Operating Expenses	10,444,247	327,224	10,771,471	10,212,368
Operating Income (Loss)	(1,362,516)	(108,184)	(1,470,700)	(1,025,129)
Nonoperating Revenues (Expenses)				
Property Taxes	1,526,828	-	1,526,828	-
Home Rule Sales Tax	-	107,576	107,576	-
Interest Income	836	-	836	5,940
Other Income	78,484	-	78,484	-
Disposal of Capital Assets	(4,626)	-	(4,626)	32,802
	1,601,522	107,576	1,709,098	38,742
Income (Loss) Before Transfers	239,006	(608)	238,398	(986,387)
Transfers In	-	-	-	35,253
Change in Net Assets	239,006	(608)	238,398	(951,134)
Net Assets - Beginning, as Restated	31,469,468	352,594	31,822,062	14,308,173
Net Assets - Ending	\$ 31,708,474	\$ 351,986	\$ 32,060,460	\$ 13,357,039

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, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Water and	Nonmajor	Totals	Activities
	Sewer			Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 10,832,303	\$ 323,072	\$ 11,155,375	\$ -
Interfund Services Provided	-	-	-	9,162,996
Payments to Suppliers	(8,024,635)	(301,989)	(8,326,624)	(7,838,922)
Payments to Employees	(1,798,499)	(59,857)	(1,858,356)	(924,963)
	<u>1,009,169</u>	<u>(38,774)</u>	<u>970,395</u>	<u>399,111</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	-	-	-	35,253
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	-	-	-	77,052
Purchase of Capital Assets	(1,449,256)	-	(1,449,256)	(222,788)
	<u>(1,449,256)</u>	<u>-</u>	<u>(1,449,256)</u>	<u>(145,736)</u>
Cash Flows from Investing Activities				
Interest Received	836	-	836	5,940
Net Change in Cash and Cash Equivalents	(439,251)	(38,774)	(478,025)	294,568
Cash and Cash Equivalents - Beginning	<u>3,148,880</u>	<u>369,051</u>	<u>3,517,931</u>	<u>9,720,037</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,709,629</u>	<u>\$ 330,277</u>	<u>\$ 3,039,906</u>	<u>\$ 10,014,605</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (1,362,516)	\$ (108,184)	\$ (1,470,700)	\$ (1,025,129)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	446,787	-	446,787	797,797
Other Income	1,605,312	107,576	1,712,888	-
(Increase) Decrease in Current Assets	145,260	(3,544)	141,716	(24,243)
Increase (Decrease) in Current Liabilities	174,326	(34,622)	139,704	650,686
Net Cash Provided by Operating Activities	<u>1,009,169</u>	<u>(38,774)</u>	<u>970,395</u>	<u>399,111</u>

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, 2011

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 6,558,310	\$ 1,189,052
Investments		
State and Local Obligations	3,658,288	-
U.S. Government and Agency Obligations	38,817,295	-
Mutual Funds	39,635,327	-
Receivables - Net of Allowances		
Accrued Interest	305,020	-
Other	445	-
Prepays	3,925	-
Due from Other Funds	84,249	-
Total Assets	<u>89,062,859</u>	<u>1,189,052</u>
LIABILITIES		
Accounts Payable	420,735	-
Deposits Payable	-	1,148,378
Due to Other Funds	-	40,000
Other Liabilities	-	500
Due to Library	-	174
Total Liabilities	<u>420,735</u>	<u>\$ 1,189,052</u>
NET ASSETS		
Held in Trust for Pension Benefits	<u>\$ 88,642,124</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, 2011

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 4,857,170
Contributions - Plan Members	<u>1,357,836</u>
Total Contributions	<u>6,215,006</u>
Investment Income	
Interest Earned	3,166,023
Net Change in Fair Value	<u>(1,731,839)</u>
	1,434,184
Less Investment Expenses	<u>(178,757)</u>
Net Investment Income	<u>1,255,427</u>
Total Additions	<u>7,470,433</u>
Deductions	
Administration	66,689
Benefits and Refunds	<u>7,162,910</u>
Total Deductions	<u>7,229,599</u>
Change in Net Assets	240,834
Net Assets - Beginning	<u>88,401,290</u>
Net Assets - Ending	<u><u>\$ 88,642,124</u></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, 2011

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
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.

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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

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

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

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, 2011

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) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net 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, 2011

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 eight 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, 2011

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 five 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 sewerage lift stations, relief stations and wastewater collection system 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 Village Parking 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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011

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, 2011**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – 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	\$ 13,057
Risk Management	464,059
Vehicle Maintenance	39,744
Police Pension	89,458
Firefighters' Pension	186,458

DEFICIT FUND EQUITY

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

<u>Fund</u>	<u>Deficit</u>
Street Improvement Construction	\$ 4,929
Parking System Revenue	200,819

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; 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 \$8,341,872 and the bank balances totaled \$10,195,521.

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

Investment Type	Fair Value	Investment
		Maturities (in Years) Less Than 1
Illinois Funds	\$ 14,715,146	\$ 14,715,146
Illinois Metropolitan Investment Fund	2,482,734	2,482,734
	<u>\$ 17,197,880</u>	<u>\$ 17,197,880</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011**

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 \$2,004,211 and the bank balances totaled \$2,004,211.

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	\$ 2,833,216	\$ -	\$ 1,957,584	\$ 875,632	\$ -
U. S. Treasury Bonds	256,484	-	256,484	-	-
U. S. Treasury Inflation Index	624,647	-	446,315	178,332	-
Federal Farm Credit Bureau	335,878	335,878	-	-	-
Federal Home Loan Bank	1,060,700	502,190	558,510	-	-
Federal Home Loan Mtg. Corp.	1,153,570	164,317	184,944	145,266	659,043
Federal National Mtg. Assn.	6,005,170	250,080	1,708,319	1,025,630	3,021,141
Government National Mtg. Assn.	1,384,126	-	-	4,149	1,379,977
U. S. HUD Securities	320,883	102,769	218,114	-	-
Municipal Bonds	2,495,375	-	-	706,699	1,788,676
Corporate Bonds and Obligations	6,101,801	506,826	1,437,850	4,157,125	-
Equity Mutual Funds	19,594,331	19,594,331	-	-	-
Illinois Funds	707,438	707,438	-	-	-
	<u>\$ 42,873,619</u>	<u>\$ 22,163,829</u>	<u>\$ 6,768,120</u>	<u>\$ 7,092,833</u>	<u>\$ 6,848,837</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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 \$1,109,904, \$1,293,403 and \$92,068 rated AAA, AA and A, respectively. The corporate bonds and obligations have market values of \$661,879, \$3,462,854, and \$1,977,068 rated AA, A, and BBB, 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, 2011, the Fund's investment in American Funds – GFA, American Funds – World Growth, Ariel Appreciation Fund, Dodge & Cox Stock Fund, Morgan Stanley Mid Cap Growth, and Vanguard – Morgan Growth 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, 2011

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 \$3,430,870 and the bank balances totaled \$3,432,577.

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 Bill	\$ 474,511	\$ 474,511	\$ -	\$ -	\$ -
U. S. Treasury Notes	2,445,410	-	1,283,820	1,161,590	-
U. S. Treasury Bonds	258,297	-	258,297	-	-
U. S. Treasury Inflation Index	518,706	-	-	518,706	-
Federal Farm Credit Bureau	258,368	258,368	-	-	-
Federal Home Loan Bank	753,285	753,285	-	-	-
Federal Home Loan Mtg. Corp.	1,001,465	-	188,108	246,670	566,687
Federal National Mtg. Assn.	6,328,230	-	1,923,838	911,874	3,492,518
Government National Mtg. Assn.	517,917	-	-	13,905	504,012
U. S. HUD Securities	422,328	-	218,114	204,214	-
Municipal Bonds	1,162,913	-	186,895	768,797	207,221
Corporate Bonds and Obligations	5,762,303	-	2,583,433	3,127,264	51,606
Equity Mutual Funds	20,040,996	20,040,996	-	-	-
Illinois Funds	415,791	415,791	-	-	-
	<u>\$ 40,360,520</u>	<u>\$ 21,942,951</u>	<u>\$ 6,642,505</u>	<u>\$ 6,953,020</u>	<u>\$ 4,822,044</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 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 \$441,834, \$684,572 and \$36,507 rated AAA, AA and A, respectively. The corporate bonds and obligations have market values of \$23,241, \$553,482, \$3,147,414, and \$2,038,166 rated AAA, AA, A and BBB, respectively.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011, the Fund's investments in American Funds - GFA, American Funds - Euro Pacific Growth, T. Rowe Price – Mid Cap Growth, Vanguard – Morgan Growth and Vanguard – Windsor II exceeded 5% of the Fund's total investments. This is in compliance with the Fund's investment policy.

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, 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, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land/Land Right of Way	\$ 10,291,446	\$ -	\$ -	\$ 10,291,446
Depreciable Capital Assets				
Buildings	37,772,853	236,479	-	38,009,332
Improvements Other than Buildings	384,000	-	-	384,000
Vehicles	10,574,574	187,535	509,012	10,253,097
Machinery and Equipment	1,189,344	61,432	27,830	1,222,946
Infrastructure	86,842,635	-	-	86,842,635
	<u>136,763,406</u>	<u>485,446</u>	<u>536,842</u>	<u>136,712,010</u>
Less Accumulated Depreciation				
Buildings	5,762,687	756,140	-	6,518,827
Improvements Other than Buildings	240,000	19,200	-	259,200
Vehicles	6,099,181	778,948	464,763	6,413,366
Machinery and Equipment	370,753	110,339	22,264	458,828
Infrastructure	50,455,681	3,374,538	-	53,830,219
	<u>62,928,302</u>	<u>5,039,165</u>	<u>487,027</u>	<u>67,480,440</u>
Total Net Depreciable Capital Assets	<u>73,835,104</u>	<u>(4,553,719)</u>	<u>49,815</u>	<u>69,231,570</u>
Total Net Capital Assets	<u>\$ 84,126,550</u>	<u>\$ (4,553,719)</u>	<u>\$ 49,815</u>	<u>\$ 79,523,016</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	\$ 400,656
Public Safety	382,409
Highways and Streets	3,448,714
Health	2,349
Culture and Recreation	7,240
Internal Service	797,797
	<u>\$ 5,039,165</u>

Business-Type Activities

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

	Restated Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 17,551,172	\$ -	\$ -	\$ 17,551,172
Depreciable Capital Assets				
Buildings and Improvements	4,499,808	-	-	4,499,808
Machinery and Equipment	3,646,309	-	-	3,646,309
Infrastructure	17,592,478	1,449,256	48,206	18,993,528
	<u>25,738,595</u>	<u>1,449,256</u>	<u>48,206</u>	<u>27,139,645</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,444,561	70,880	-	2,515,441
Machinery and Equipment	2,319,677	140,096	-	2,459,773
Infrastructure	12,630,898	235,811	43,580	12,823,129
	<u>17,395,136</u>	<u>446,787</u>	<u>43,580</u>	<u>17,798,343</u>
Total Net Depreciable Capital Assets	<u>8,343,459</u>	<u>1,002,469</u>	<u>4,626</u>	<u>9,341,302</u>
Total Net Capital Assets	<u>\$ 25,894,631</u>	<u>\$ 1,002,469</u>	<u>\$ 4,626</u>	<u>\$ 26,892,474</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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 \$ 446,787

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	916,954	205,831	56,915	1,065,870
Books	6,256,746	398,407	329,934	6,325,219
	<u>24,716,776</u>	<u>604,238</u>	<u>386,849</u>	<u>24,934,165</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,140,188	438,577	-	3,578,765
Equipment	739,542	55,969	50,902	744,609
Books	5,232,964	402,872	329,934	5,305,902
	<u>9,112,694</u>	<u>897,418</u>	<u>380,836</u>	<u>9,629,276</u>
Total Net Depreciable Capital Assets	<u>15,604,082</u>	<u>(293,180)</u>	<u>6,013</u>	<u>15,304,889</u>
Total Net Capital Assets	<u>\$ 16,281,634</u>	<u>\$ (293,180)</u>	<u>\$ 6,013</u>	<u>\$ 15,982,441</u>

Depreciation expense was charged to component unit activities as follows:

Mount Prospect Public Library \$ 897,418

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2011

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	Debt Service	\$ 77,609
General	Nonmajor Governmental	257,048
General	Nonmajor Business-Type	194,158
General	Flexcomp Escrow	40,000
Police Pension	General	45,859
Fire Pension	General	38,390
		<u>\$ 653,064</u>

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

- \$77,609 due to the General Fund from the Debt Service Fund. This was due to a shortfall in funds available to pay principal and interest due on IEPA Flood Control Loans. We have been successful in reducing the amount from 2010. A review of options for repayment will continue in 2012.
- \$257,048 due to the General Fund from Nonmajor Governmental Funds. The balance represents money advanced to Street Improvement Construction Fund in the amount of \$128,643 and \$128,405 to fund the short-term cash needs in Community Development Block Grant Fund. Options for repayment from the Street Improvement Construction Fund will be reviewed in 2012.
- \$194,158 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 2011. A review of options for repayment will be completed in 2012.
- \$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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Balances – Continued

- \$45,859 due to the Police Pension Fund from the General Fund. This was the contributions due for 2011 tax collections received in January and February 2012.
- \$38,390 due to the Firefighters’ Pension Fund from the General Fund. This was the contributions due for 2011 tax collections received in January and February 2012. The total is net of Fire Pension payables owed to the General Fund.

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Debt Service	Nonmajor Governmental	\$ 80,089
Internal Service	Nonmajor Governmental	<u>35,253</u>
		<u>\$ 115,342</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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET ASSET RESTATEMENTS

Beginning net assets/fund balances were restated to reflect errors in recognition of capital assets. The following is a summary of the net assets/fund balances as originally reported and as restated:

Net Assets/Fund Balance	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 53,207,559	(3,857,498)	(57,065,057)
Water and Sewer	28,637,932	31,469,468	2,831,536
Village Parking System	491,570	510,602	19,032
Computer Replacement	667,959	694,959	27,000
Vehicle Replacement	10,415,330	10,083,247	(332,083)
Vehicle Maintenance	570,640	589,419	18,779

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	\$ 8,360,000	\$ -	* 4,925,000 \$ 550,000	\$ 2,885,000
\$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

* Refunded Amount

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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
\$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	\$ -	\$ 230,000	\$ 3,200,000
\$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
\$5,160,000 General Obligation Refunding Bonds of 2011B, due in annual installments of \$40,000 to \$775,000 plus interest at 2.52% to through December 1, 2020.	Debt Service	-	5,160,000	65,000	5,095,000
		<u>\$ 24,240,000</u>	<u>\$ 5,160,000</u>	<u>\$ 5,770,000</u>	23,630,000
Plus: Unamortized Bond Premium					<u>112,082</u>
					<u>\$ 23,742,082</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	\$ 111,235	\$ -	\$ 35,850	\$ 75,385
\$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	840,357	-	230,187	610,170
\$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	446,773	-	106,174	340,599
\$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	508,452	-	66,535	441,917
\$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	882,439	-	93,954	788,485
		<u>\$ 2,789,256</u>	<u>\$ -</u>	<u>\$ 532,700</u>	<u>\$ 2,256,556</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	\$ 3,150,211	\$ 338,020	\$ 169,010	\$ 3,319,221	\$ 663,844
Net Pension Obligation	541,527	101,618	-	643,145	-
Net Other Post-Employment Benefits Obligation	432,293	13,473	-	445,766	-
General Obligation Bonds	24,240,000	5,160,000	5,770,000	23,630,000	890,000
Add: Unamortized Bond Premium	118,308	-	6,226	112,082	-
Less: Unamortized Bond Discount	(51,626)	-	(51,626)	-	-
Loan Contracts Payable	2,789,256	-	532,700	2,256,556	549,732
	<u>\$ 31,219,969</u>	<u>\$ 5,613,111</u>	<u>\$ 6,426,310</u>	<u>\$ 30,406,770</u>	<u>\$ 2,103,576</u>
Business-Type Activities					
Compensated Absences	\$ 206,577	\$ 40,693	\$ 81,388	\$ 165,882	\$ 33,176
Net Other Post-Employment Benefits Obligation	(196)	9,679	-	9,483	-
	<u>\$ 206,381</u>	<u>\$ 50,372</u>	<u>\$ 81,388</u>	<u>\$ 175,365</u>	<u>\$ 33,176</u>
Component Unit - Public Library					
Compensated Absences	\$ 118,810	\$ 6,966	\$ 13,932	\$ 111,844	\$ 22,369
Net Other Post-Employment Benefits Obligation	49,285	6,243	-	55,528	-
General Obligation Bonds	15,590,000	4,100,000	4,925,000	14,765,000	1,075,000
Less: Unamortized Bond Discount	(364,981)	-	(30,415)	(334,566)	-
	<u>\$ 15,393,114</u>	<u>\$ 4,113,209</u>	<u>\$ 4,908,517</u>	<u>\$ 14,597,806</u>	<u>\$ 1,097,369</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, \$172,195 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, \$1,822 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 – Village

During fiscal year 2011, the Village issued \$5,160,000 General Obligation Refunding Bonds of 2011B to refund \$4,925,000 of the General Obligation Bonds of 2003. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's basic financial statements. Through this refunding, the Village reduced its total debt service by \$398,150 and obtained an economic gain of \$351,700.

Advance Refunding – Component Unit

In prior years the Library defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. The defeased bonds still outstanding totaled \$8,880,000 at December 31, 2011.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Component Unit – Continued

During fiscal year 2011, the Library issued \$4,100,000 General Obligation Refunding Bonds of 2011A to refund \$3,895,000 of the General Obligation Bonds of 2002. The Library defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Library’s basic financial statements. Through this refunding, the Library reduced its total debt service by \$257,735 and obtained an economic gain of \$244,053.

Debt Service Requirements to Maturity

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
2012	\$ 890,000	\$ 917,566	\$ 549,732	\$ 63,622	\$ 1,075,000	\$ 501,113
2013	920,000	882,484	567,311	46,045	1,115,000	454,826
2014	980,000	846,088	417,587	28,226	1,140,000	434,379
2015	1,025,000	821,330	178,913	18,345	1,155,000	413,356
2016	1,065,000	795,230	183,840	13,418	1,280,000	392,044
2017	1,110,000	766,175	188,903	8,355	1,360,000	358,266
2018	1,160,000	735,370	112,771	3,735	1,410,000	305,906
2019	1,215,000	701,023	57,499	754	1,465,000	250,916
2020	1,275,000	663,967	-	-	1,525,000	193,048
2021	1,370,000	624,357	-	-	1,585,000	132,048
2022	1,380,000	563,062	-	-	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	\$ 23,630,000	\$ 10,348,796	\$ 2,256,556	\$ 182,500	\$ 14,765,000	\$ 3,503,758

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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 (\$965,000 of 2002 general obligation bonds, \$9,765,000 of 2006 refunding bonds and \$4,035,000 of 2011A refunding bonds at December 31, 2011) 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, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE

Net Assets Classifications

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2011:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation		\$ 79,523,016
Less Capital Related Debt:		
General Obligation Bonds of 2003	(2,885,000)	
General Obligation Bonds of 2009	(9,800,000)	
General Obligation Refunding Bonds of 2009B	(3,200,000)	
Taxable General Obligation Bonds of 2009C	(2,650,000)	
General Obligation Refunding Bonds of 2011B	(5,095,000)	
IEPA Flood Loan (L17-0856) Contract Payable of 1994	(75,385)	
IEPA Flood Loan (L17-0744) Contract Payable of 1994	(610,170)	
IEPA Flood Loan (L17-0857) Contract Payable of 1994	(340,599)	
IEPA Flood Loan (L17-0855) Contract Payable of 1997	(441,917)	
IEPA Flood Loan (L17-1087) Contract Payable of 1999	(788,485)	
Unamortized Bond Premium	(112,082)	<u>(25,998,638)</u>
Investment in Capital Assets - Net of Related Debt		<u>\$ 53,524,378</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		<u>\$ 26,892,474</u>
Component Unit - Public Library		
Capital Assets - Net of Accumulated Depreciation		\$ 15,982,441
Less Capital Related Debt:		
General Obligation Bonds of 2002	(965,000)	
General Obligation Refunding Bonds of 2006	(9,765,000)	
General Obligation Refunding Bonds of 2011A	(4,035,000)	
Unamortized Bond Discount	334,566	<u>(14,430,434)</u>
		<u>\$ 1,552,007</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE – Continued

Fund Balance Classifications

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

	General	Refuse Disposal	Debt Service	Nonmajor	Total
Fund Balances					
Nonspendable	\$ 100,590	\$ 145,255	\$ 809	\$ 1,066	\$ 247,720
Restricted					
Refuse Disposal	-	2,000,894	-	-	2,000,894
Debt Service	-	-	130,563	-	130,563
Highways and Streets	-	-	-	336,394	336,394
Business District	-	-	-	77,195	77,195
Public Safety	-	-	-	283,857	283,857
	-	2,000,894	130,563	697,446	2,828,903
Assigned - Capital Projects	-	-	-	3,564,914	3,564,914
Unassigned	10,704,282	-	-	(5,578)	10,698,704
Total Fund Balances	\$ 10,804,872	\$ 2,146,149	\$ 131,372	\$ 4,257,848	\$ 17,340,241

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended December 31, 2011. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Improvement, Series 2009 Construction, the Downtown Redevelopment Construction and the Flood Control Construction, nonmajor funds. The Village’s management has assigned the funds in these four funds to future improvement projects and equipment and vehicle purchases based on approved management expenditures as determined through the annual budget process.

Minimum Fund Balance Policy. The Village policy states that the General Fund and special revenue funds should maintain a minimum unrestricted fund balance equal to 25% of the subsequent fiscal year’s expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels in the General Fund may be transferred to the Capital Projects Fund at the discretion of the Board.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2011

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, 2011 was \$1,174,656.

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

	Auto	Workers' Compensation	General Liability	Total
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
Incurred Claims	111,735	1,111,841	-	1,223,576
Claims Paid	(132,335)	(514,649)	(7,868)	(654,852)
Claims Payable - December 31, 2011	\$ 75,934	\$ 1,098,722	\$ -	\$ 1,174,656

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011

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 \$75,540 to HELP in 2011. For 2012, the Village estimates it will pay \$74,613.

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 2012 the Village estimates it will pay SWANCC \$1,247,183, 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, 2011

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, 2011 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	16.57 %
Village of Hanover Park	8.87
Village of Hoffman Estates	16.70
Village of Mount Prospect	11.85
City of Rolling Meadows	7.77
Village of Schaumburg	28.15
Village of Streamwood	<u>10.09</u>
	<u>100.00 %</u>

These percentage shares are based upon formula 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, 2011**

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, 2011:

Current Assets	\$ 11,834,195	Current Liabilities	\$ 4,196,659
Noncurrent Assets		Long-Term Liabilities	<u>75,617,884</u>
Capital Assets	48,524,786	Total Liabilities	<u>79,814,543</u>
Other Assets	<u>23,792,901</u>	Net Assets	<u>\$ 4,337,339</u>
Total Assets	<u>\$ 84,151,882</u>		

Summary of revenues, expenses and changes in net assets for the year ended April 30, 2011:

Operating Revenues	\$ 30,654,804
Operating Expenses	<u>27,557,831</u>
Operating Income	3,096,973
Nonoperating Revenue (Expenses)	<u>(2,812,897)</u>
Change in Net Assets	284,076
Net Assets - Beginning	<u>4,053,263</u>
Net Assets - Ending	<u>\$ 4,337,339</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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 \$3,714,669 to JAWA for the year ended December 31, 2011. All payments were paid from the Water and Sewer Fund. The Village’s share of net assets of JAWA was \$661,237 at December 31, 2011.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011

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 \$1,130,876 to SWANCC for the year ended December 31, 2011, 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. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Illinois Municipal Retirement System – Continued

These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate for the calendar year 2011 used by the employer was 10.76 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.61 percent.

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, 2010 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	66
Current Employees	
Vested	55
Nonvested	<u>26</u>
	<u>147</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

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, 2010 the Firefighters’ Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	65
Current Employees	
Vested	42
Nonvested	<u>24</u>
	<u>131</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, 2011

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 Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by $\frac{1}{12}$ 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, 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. 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 2040 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded. There are no active covered employees.

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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

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

At December 31, 2011, the Police Pension Fund's investment in American Funds – GFA, American Funds – World Growth, Ariel Appreciation Fund, Dodge & Cox Stock Fund, Morgan Stanley Mid Cap Growth, and Vanguard – Morgan Growth and the Firefighters Pension Fund's investments in American Funds - GFA, American Funds - Euro Pacific Growth, T. Rowe Price – Mid Cap Growth, Vanguard – Morgan Growth and Vanguard – Windsor II exceeded 5% of the Fund's total investments. Information for IMRF is not available.

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, 2011 is as follows:

	IMRF	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 1,733,154	\$ 2,467,527	\$ 2,140,664	\$ 6,341,345
Interest on Net Pension Obligation	23,677	(18,349)	24,005	29,333
Adjustment to Annual Required Contribution	(16,925)	(16,015)	(40,717)	(73,657)
Annual Pension Cost	1,739,906	2,433,163	2,123,952	6,297,021
Actual Contribution	1,606,265	2,504,701	2,155,975	6,266,941
Increase (Decrease) in the NPO	133,641	(71,538)	(32,023)	30,080
NPO - Beginning of Year	315,697	(301,147)	225,830	240,380
NPO - End of Year	\$ 449,338	\$ (372,685)	\$ 193,807	\$ 270,460

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	10.76%	31.03%	33.124%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2011	12/31/2010	12/31/2010
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	30 Years	30 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.00%	5.00%
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, 2011**

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)	2009	\$ 1,338,650	\$ 1,477,603	\$ 1,410,521
	2010	1,792,977	2,145,268	1,815,848
	2011	1,739,906	2,433,163	2,123,952
Actual Contributions	2009	1,338,650	1,565,009	1,538,564
	2010	1,477,280	2,210,670	1,928,807
	2011	1,606,265	2,504,701	2,155,975
Percentage of APC Contributed	2009	100.00%	105.92%	109.08%
	2010	82.39%	103.05%	106.22%
	2011	92.32%	102.94%	101.51%
Net Pension Obligation	2009	-	(235,745)	338,789
	2010	315,697	(301,147)	225,830
	2011	449,338	(372,685)	193,807

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

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	12/31/2011	12/31/2010	12/31/2010
Percent Funded	73.73%	59.28%	63.36%
Accuarial Accrued Liability for Benefits	\$44,098,030	\$75,131,534	\$69,228,826
Actuarial Value of Assets	\$32,515,052	\$44,540,310	\$43,860,979
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$11,582,978)	(\$30,591,224)	(\$25,367,847)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$14,928,114	\$7,183,594	\$5,896,317
Ratio of UAAL to Covered Payroll	77.59%	425.85%	430.23%

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, 2011**

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, 2011, retirees contributed \$600,352.

At December 31, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	51
Active Employees	<u>288</u>
Total	<u>339</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, 2011**

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, 2011, was calculated as follows:

Annual Required Contribution	\$ 270,764
Interest on the NPO	21,605
Adjustment to the ARC	<u>(14,403)</u>
Annual OPEB Cost	277,966
Actual Contribution	<u>254,814</u>
Increase in the NPO	23,152
NOPEBO - Beginning of Year	<u>432,097</u>
NOPEBO - End of Year	<u><u>\$ 455,249</u></u>

Trend Information

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

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 279,939	\$ 254,814	91.02%	\$ 409,325
2010	277,586	254,814	91.80%	432,097
2011	277,966	254,814	91.67%	455,249

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2011

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, 2011, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 8,280,690
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,280,690
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	\$ 22,325,901
UAAL as a Percentage of Covered Payroll	37.09%

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, 2011 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, 2011, was 30 years.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2011**

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

On January 3, 2012, the Village issued \$2,975,000 of General Obligation Refunding Bonds of 2012. The bonds bear interest at a rate of 3.10% and are due in annual installments of \$610,000 to \$885,000 through December 1, 2022.

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, 2011**

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)
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%
2011	32,515,052	44,098,030	73.73%	11,582,978	14,928,114	77.59%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	1,606,265	1,733,154	92.68%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2011**

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	\$ 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%
2010	44,540,310	75,131,534	59.28%	30,591,224	7,183,594	425.85%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	2,504,701	2,467,527	101.51%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2011**

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	\$ 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%
2010	43,860,979	69,228,826	63.36%	25,367,847	5,896,317	430.23%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2011	2,155,975	2,140,664	100.72%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Other Post-Employment Benefits Plan

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2011

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
December 31						
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
2011	-	8,280,690	0.00%	8,280,690	22,325,901	37.09%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2011	254,814	270,764	94.11%

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for 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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 18,642,500	\$ 18,607,500	\$ 18,913,776
Licenses, Permits and Fees	3,401,000	3,410,200	3,356,816
Intergovernmental	15,745,500	16,578,000	16,401,311
Charges for Services	1,702,390	1,628,690	1,694,563
Fines and Forfeits	586,000	555,500	548,993
Interest	97,500	23,600	23,067
Miscellaneous	395,540	291,040	234,462
Total Revenues	<u>40,570,430</u>	<u>41,094,530</u>	<u>41,172,988</u>
Expenditures			
General Government	5,284,296	5,394,119	5,284,168
Public Safety	26,940,345	27,282,384	26,943,288
Highway and Streets	6,221,836	7,163,833	6,587,428
Health	143,618	143,618	137,446
Welfare	1,610,964	1,582,970	1,487,709
Culture and Recreation	369,371	409,054	346,068
Total Expenditures	<u>40,570,430</u>	<u>41,975,978</u>	<u>40,786,107</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (881,448)</u>	386,881
Fund Balance - Beginning			<u>10,417,991</u>
Fund Balance - Ending			<u>\$ 10,804,872</u>

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,751,000	\$ 1,751,000	\$ 1,760,425
Charges for Services	2,337,932	2,337,932	2,273,333
Interest	1,200	1,200	-
Miscellaneous	500	500	64
Total Revenues	<u>4,090,632</u>	<u>4,090,632</u>	<u>4,033,822</u>
Expenditures			
Health			
Refuse Disposal Division			
Personal Services	259,327	253,227	215,065
Employee Benefits	90,328	96,428	89,233
Other Employee Costs	1,200	1,200	-
Contractual Services	3,968,555	3,970,055	3,790,194
Utilities	572	572	262
Insurance	25,175	25,175	25,175
Commodities and Supplies	33,737	32,237	29,379
Total Expenditures	<u>4,378,894</u>	<u>4,378,894</u>	<u>4,149,308</u>
Net Change in Fund Balance	<u>\$ (288,262)</u>	<u>\$ (288,262)</u>	(115,486)
Fund Balance - Beginning			<u>2,261,635</u>
Fund Balance - Ending			<u>\$ 2,146,149</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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Taxes			
Property - General	\$ 6,793,000	\$ 6,823,000	\$ 6,827,708
Property - Police Pension	2,472,000	2,517,000	2,504,701
Property - Firefighters' Pension	2,145,000	2,180,000	2,155,976
Road and Bridge Taxes	104,500	119,000	108,444
Increment Taxes	-	107,500	153,694
Auto Rental Tax	10,000	10,000	13,148
Electronic Games Tax	1,000	1,000	-
Food and Beverage Tax	765,000	800,000	867,630
Real Estate Transfer Tax	500,000	350,000	363,194
Hotel/Motel Tax	30,000	105,000	99,425
Telecommunications Tax	2,890,000	2,650,000	2,875,668
Home Rule Sales Tax	1,111,000	1,200,000	1,195,178
Gas Utility Tax	710,000	595,000	588,595
Electric Utility Tax	1,111,000	1,150,000	1,160,415
Total Taxes	18,642,500	18,607,500	18,913,776
Licenses, Permits and Fees			
Vehicle License Fees	1,405,000	1,375,000	1,376,506
Liquor Licenses	150,000	150,000	150,147
Business Licenses	160,000	145,000	143,998
Contractor Licenses	35,000	35,000	35,320
Alarm Licenses	16,000	16,000	15,190
Elevator Licenses	20,000	20,000	20,470
Building Permit Fees	500,000	570,000	606,091
Electrical Permit Fees	41,000	8,000	8,060
Plumbing Permit Fees	42,000	26,000	26,614
Permit Penalties	5,000	3,000	2,480
Reinspection Fees	75,000	75,000	68,283
Vacant Structure Registration Fees	-	3,500	3,500
Truck Permit Fees	1,000	1,000	410
Nuisance Abatement Fees	2,000	2,000	-
Utility Permit Fees	5,000	5,000	3,750
Plan Examination Fees	22,000	22,000	17,405
Stormwater Det Fee	-	2,200	2,456
Street Opening Fees	2,000	3,000	3,200
ZBA Hearing Fees	5,000	12,500	13,150

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Licenses, Permits and Fees - Continued			
Public Improvement Inspection Permit	\$ 75,000	\$ 75,000	\$ -
False Alarm Fees	10,000	6,000	7,700
Landlord/Tenant Fees	255,000	270,000	267,687
Cable TV Franchise Fees	575,000	585,000	584,399
Total Licenses, Permits and Fees	3,401,000	3,410,200	3,356,816
Intergovernmental			
State Sales Tax	10,229,000	10,650,000	10,614,601
State Income Tax	4,445,000	4,445,000	4,328,196
State Use Tax	700,000	850,000	797,180
Charitable Games Tax	2,000	2,000	3,986
Replacement Taxes	275,000	308,000	350,698
Replacement Taxes - Road and Bridge	5,000	5,000	6,898
Grant - Tobacco Enforcement	4,400	4,400	4,400
Grant - Body Armor	14,800	19,300	2,810
Grant - FEMA	-	143,000	142,767
Grant - Illinois Housing Development Authority	20,000	11,000	11,000
Grant - SHAP	300	300	250
Grant - DCEO Capital Grant	-	-	95,000
Grant - EAB	30,000	30,000	30,000
Grant - Other	20,000	110,000	13,525
Total Intergovernmental	15,745,500	16,578,000	16,401,311
Charges for Services			
Water and Sewer Service Charge	490,000	490,000	490,000
Parking Service Charge	44,500	44,500	44,500
Maintenance of State Highways	87,500	87,500	88,269
Ambulance Transport Fees	750,000	725,000	783,391
Forest River Rural FPD	46,000	46,000	45,929
Cable Programming Fees	61,190	22,690	22,691
Other Programs	33,700	23,500	23,377
Special Detail Revenue	1,000	30,000	37,238
Police Training Revenue	20,000	5,000	4,652
Fire Training Revenue	31,000	17,000	21,405
Lease Payments - Cell Towers	119,000	119,000	118,260
General Store Lease	18,500	18,500	14,851
Total Charges for Services	1,702,390	1,628,690	1,694,563

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Fines and Forfeitures			
Fines - Parking	\$ 275,000	\$ 230,000	\$ 223,053
Fines - Local Ordinances	5,000	13,000	13,225
Fines - Code Enforcement	10,000	31,000	32,507
Fines - Circuit Court	275,000	215,000	215,068
Fines - Parental Responsibility	1,000	2,500	2,700
Forfeited Escrow Funds	20,000	64,000	62,440
Total Fines and Forfeitures	586,000	555,500	548,993
Interest			
Investment Income	87,500	22,100	21,627
Interest - Escrow Funds	10,000	1,500	1,440
Total Interest	97,500	23,600	23,067
Miscellaneous			
Home Delivered Meals	42,700	-	-
Reimburse - H/S Youth Officer	79,500	82,000	75,124
Reimburse - Mount Prospect Library	24,000	-	20,057
Shared Cost - Sidewalk	20,000	1,000	400
Shared Cost - Tree Replacement	30,000	15,000	13,415
Reimburse - Village Property	30,000	25,000	15,984
Other Reimbursements	30,000	7,000	4,112
Human Services Revenue	21,340	12,040	11,983
Fire and Police Reports	6,000	6,000	5,381
Animal Release Fees	1,000	1,000	525
Subpoena Fees	2,000	2,000	1,199
Advertising Revenue	10,000	10,000	-
Other Revenue	99,000	130,000	86,282
Total Miscellaneous	395,540	291,040	234,462
Total Revenues	\$ 40,570,430	\$ 41,094,530	\$ 41,172,988

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
General Government			
Public Representation - Administration	\$ 116,944	\$ 116,944	\$ 108,800
Village Administration	2,866,711	2,944,884	2,939,722
Finance Department	1,582,487	1,618,137	1,561,764
Community Development - Administration	672,291	668,291	628,020
Benefit Payments	45,863	45,863	45,862
Total General Government	5,284,296	5,394,119	5,284,168
Public Safety			
Community Development - Code Enforcement	809,682	887,764	837,639
Police Department	14,713,106	14,840,002	14,657,035
Fire Department	11,417,557	11,554,618	11,448,614
Total Public Safety	26,940,345	27,282,384	26,943,288
Highways and Streets			
Public Works Department	6,221,836	7,163,833	6,587,428
Health			
Community Development - Health	143,618	143,618	137,446
Welfare			
Human Services Department	1,062,525	1,030,431	981,386
Community Development - Housing	548,439	552,539	506,323
Total Welfare	1,610,964	1,582,970	1,487,709
Culture and Recreation			
Public Representation - Community and Civic Services	369,371	409,054	346,068
Total Expenditures	\$ 40,570,430	\$ 41,975,978	\$ 40,786,107

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
General Government			
Public Representation - Administration			
Mayor and Board of Trustees			
Personal Services	\$ 31,101	\$ 31,101	\$ 31,098
Employee Benefits	5,591	5,591	5,562
Other Employee Costs	2,250	2,250	1,660
Contractual Services	67,959	67,959	64,527
Utilities	455	455	297
Commodities and Supplies	3,000	3,000	496
	<u>110,356</u>	<u>110,356</u>	<u>103,640</u>
Advisory Boards and Commissions			
Personal Services	3,432	3,432	3,432
Employee Benefits	1,556	1,556	1,536
Contractual Services	1,000	1,000	117
Commodities and Supplies	600	600	75
	<u>6,588</u>	<u>6,588</u>	<u>5,160</u>
Total Public Representation - Administration	<u>116,944</u>	<u>116,944</u>	<u>108,800</u>
Village Administration			
Village Manager's Office			
Personal Services	398,950	398,950	402,418
Employee Benefits	172,164	174,164	174,576
Other Employee Costs	7,300	7,300	6,838
Contractual Services	7,084	6,984	6,637
Utilities	4,277	4,277	2,534
Commodities and Supplies	6,450	6,550	4,921
Capital Expenditures	300	300	-
	<u>596,525</u>	<u>598,525</u>	<u>597,924</u>
Legal Services			
Contractual Services	<u>438,250</u>	<u>443,750</u>	<u>545,772</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Administration - Continued			
Human Resources			
Personal Services	\$ 170,357	\$ 182,357	\$ 179,447
Employee Benefits	62,690	62,690	60,580
Other Employee Costs	10,200	10,700	8,255
Contractual Services	4,875	10,575	10,542
Commodities and Supplies	500	500	-
Capital Expenditures	300	300	-
	<u>248,922</u>	<u>267,122</u>	<u>258,824</u>
Information Technology			
Personal Services	347,608	347,608	337,768
Employee Benefits	112,532	117,782	116,251
Other Employee Costs	5,500	5,500	3,708
Contractual Services	603,683	603,683	557,855
Utilities	3,850	3,850	3,826
Commodities and Supplies	4,150	4,150	1,751
Capital Expenditures	18,500	18,500	16,340
	<u>1,095,823</u>	<u>1,101,073</u>	<u>1,037,499</u>
Public Information			
Personal Services	63,429	63,429	62,218
Employee Benefits	26,580	26,580	26,110
Other Employee Costs	1,200	1,200	1,010
Contractual Services	85,000	115,000	115,683
Commodities and Supplies	1,700	1,800	309
	<u>177,909</u>	<u>208,009</u>	<u>205,330</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Administration - Continued			
Television Services Division			
Personal Services	\$ 85,302	\$ 86,559	\$ 83,026
Employee Benefits	34,579	38,079	37,949
Other Employee Costs	700	700	700
Contractual Services	30,041	30,041	16,334
Utilities	1,600	1,600	1,309
Commodities and Supplies	5,500	5,500	3,116
Capital Expenditures	8,500	8,500	7,522
	<u>166,222</u>	<u>170,979</u>	<u>149,956</u>
Village Clerk's Office			
Administration and Support			
Personal Services	77,537	82,537	81,167
Employee Benefits	33,949	35,700	35,659
Other Employee Costs	1,015	1,015	447
Contractual Services	27,810	33,425	25,822
Utilities	1,549	1,549	654
Commodities and Supplies	1,200	1,200	668
	<u>143,060</u>	<u>155,426</u>	<u>144,417</u>
Total Village Administration	<u>2,866,711</u>	<u>2,944,884</u>	<u>2,939,722</u>
Finance Department			
Administration and Support			
Personal Services	116,276	116,276	117,962
Employee Benefits	36,443	53,944	53,018
Other Employee Costs	12,233	12,233	7,144
Contractual Services	134,350	143,700	139,570
Utilities	5,820	5,820	3,683
Commodities and Supplies	19,750	19,750	16,579
Capital Expenditures	1,000	1,000	-
	<u>325,872</u>	<u>352,723</u>	<u>337,956</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance Department - Continued			
Accounting			
Personal Services	\$ 309,683	\$ 309,683	\$ 293,294
Employee Benefits	103,999	103,999	99,556
Contractual Services	5,527	5,527	3,183
Commodities and Supplies	2,950	2,950	1,380
	<u>422,159</u>	<u>422,159</u>	<u>397,413</u>
Insurance			
Personal Services	31,601	31,601	32,767
Employee Benefits	9,243	9,243	9,375
Insurance	318,468	326,268	326,268
	<u>359,312</u>	<u>367,112</u>	<u>368,410</u>
Customer Service			
Personal Services	284,106	284,106	276,500
Employee Benefits	106,255	107,255	104,952
Contractual Services	47,500	47,500	42,714
Commodities and Supplies	11,850	11,850	8,363
	<u>449,711</u>	<u>450,711</u>	<u>432,529</u>
Cash Management			
Personal Services	21,476	21,476	21,606
Employee Benefits	3,957	3,956	3,850
	<u>25,433</u>	<u>25,432</u>	<u>25,456</u>
Total Finance Department	<u>1,582,487</u>	<u>1,618,137</u>	<u>1,561,764</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Administration			
Administration and Support			
Personal Services	\$ 169,807	\$ 169,807	\$ 170,222
Employee Benefits	83,776	83,776	83,391
Other Employee Costs	3,650	3,650	4,265
Utilities	2,892	2,692	1,770
Commodities and Supplies	1,010	1,210	1,081
	<u>261,135</u>	<u>261,135</u>	<u>260,729</u>
Planning and Zoning			
Personal Services	171,727	171,727	169,091
Employee Benefits	63,602	63,602	60,583
Other Employee Costs	6,987	6,987	5,932
Contractual Services	55,818	51,818	23,131
Utilities	2,622	2,622	1,393
Commodities and Supplies	3,488	3,488	3,294
	<u>304,244</u>	<u>300,244</u>	<u>263,424</u>
Economic Development			
Personal Services	56,603	56,603	57,635
Employee Benefits	13,809	13,809	13,694
Other Employee Costs	1,500	1,500	595
Contractual Services	35,000	35,000	31,943
	<u>106,912</u>	<u>106,912</u>	<u>103,867</u>
Total Community Development - Administration	<u>672,291</u>	<u>668,291</u>	<u>628,020</u>
Benefit Payments			
Contractual Services	<u>45,863</u>	<u>45,863</u>	<u>45,862</u>
Total General Government	<u>5,284,296</u>	<u>5,394,119</u>	<u>5,284,168</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety			
Community Development - Code Enforcement			
Building Inspection			
Personal Services	\$ 408,047	\$ 408,047	\$ 368,681
Employee Benefits	160,903	163,140	154,713
Other Employee Costs	8,508	8,508	5,217
Contractual Services	215,530	293,375	299,615
Utilities	8,086	8,086	5,433
Commodities and Supplies	8,608	6,608	3,980
Total Community Development - Code Enforcement	809,682	887,764	837,639
Police Department			
Administration and Support			
Personal Services	1,048,060	874,980	853,099
Employee Benefits	3,048,701	3,129,701	3,152,891
Other Employee Costs	135,700	143,700	108,832
Contractual Services	91,800	88,000	71,005
Utilities	33,800	33,800	28,684
Commodities and Supplies	21,220	21,220	15,665
Capital Expenditures	600	600	-
Total Administration and Support	4,379,881	4,292,001	4,230,176
Patrol and Traffic Enforcement			
Personal Services	6,614,645	6,234,844	6,263,647
Employee Benefits	1,072,363	1,106,863	1,099,351
Contractual Services	512,900	512,900	420,615
Commodities and Supplies	74,147	76,147	71,168
Capital Expenditures	7,250	7,250	4,921
Total Patrol and Traffic Enforcement	8,281,305	7,938,004	7,859,702
Technical Services			
Personal Services	-	98,100	99,102
Employee Benefits	-	13,000	12,547
Total Technical Services	-	111,100	111,649

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Auxiliary Service			
Personal Services	\$ -	\$ 56,700	\$ 54,333
Employee Benefits	-	2,500	770
	-	59,200	55,103
Crime Prevention and Public Services			
Personal Services	20,334	20,330	19,463
Employee Benefits	10,576	10,576	10,279
Other Employee Costs	4,300	4,300	-
Contractual Services	500	7,500	6,090
Commodities and Supplies	4,000	4,000	2,084
	39,710	46,706	37,916
Investigative			
Personal Services	1,050,922	1,402,327	1,402,481
Employee Benefits	189,181	202,937	202,894
Contractual Services	24,200	28,600	19,540
Commodities and Supplies	4,550	4,550	2,465
Capital Expenditures	900	900	70
	1,269,753	1,639,314	1,627,450
Equipment Maintenance			
Contractual Services	718,857	722,657	711,866
Commodities and Supplies	15,300	15,300	11,391
Capital Expenditures	8,300	8,300	4,401
	742,457	746,257	727,658

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Emergency Event			
Personal Services	\$ -	\$ 7,200	\$ 7,179
Employee Benefits	-	120	115
Commodities and Supplies	-	100	87
	-	7,420	7,381
Total Police Department	14,713,106	14,840,002	14,657,035
Fire Department			
Administration and Support			
Personal Services	562,944	562,946	541,433
Employee Benefits	2,412,383	2,503,791	2,534,220
Other Employee Costs	68,900	68,900	54,523
Contractual Services	30,800	43,400	20,142
Commodities and Supplies	8,000	8,000	7,299
Capital Expenditures	23,500	19,665	3,174
	3,106,527	3,206,702	3,160,791
Fire Department Operations			
Personal Services	6,100,178	6,121,475	6,203,056
Employee Benefits	873,125	874,118	871,281
Other Employee Costs	46,800	46,800	35,522
Contractual Services	124,475	127,975	105,870
Commodities and Supplies	25,883	29,383	17,429
Capital Expenditures	53,740	64,835	40,098
	7,224,201	7,264,586	7,273,256
Fire Training Academy			
Personal Services	8,810	8,810	-
Employee Benefits	129	128	-
Commodities and Supplies	5,000	4,000	-
	13,939	12,938	-

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Fire Prevention			
Personal Services	\$ 347,394	\$ 347,394	\$ 326,584
Employee Benefits	118,834	121,334	123,027
Other Employee Costs	6,250	6,250	5,351
Contractual Services	1,400	1,400	1,399
Commodities and Supplies	7,350	7,350	11,814
Capital Expenditures	300	1,300	1,073
	<u>481,528</u>	<u>485,028</u>	<u>469,248</u>
Communications			
Contractual Services	11,800	8,800	5,038
Utilities	33,000	33,000	30,999
Commodities and Supplies	3,500	2,000	669
Capital Expenditures	2,500	2,500	2,378
	<u>50,800</u>	<u>46,300</u>	<u>39,084</u>
Equipment Maintenance			
Contractual Services	457,764	457,764	457,764
Commodities and Supplies	250	250	-
Capital Expenditures	3,933	-	-
	<u>461,947</u>	<u>458,014</u>	<u>457,764</u>
Emergency Preparedness			
Other Employee Costs	2,000	3,500	1,765
Contractual Services	15,710	16,210	5,813
Commodities and Supplies	20,825	18,325	7,188
	<u>38,535</u>	<u>38,035</u>	<u>14,766</u>
Paid on Call			
Personal Services	24,805	19,000	17,938
Employee Benefits	1,900	1,900	1,499
Other Employee Costs	12,375	12,375	8,951
Capital Expenditures	1,000	1,000	993
	<u>40,080</u>	<u>34,275</u>	<u>29,381</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Emergency Event			
Personal Services	\$ -	\$ 7,200	\$ 2,879
Employee Benefits	-	40	33
Commodities and Supplies	-	1,500	1,412
	-	8,740	4,324
Total Fire Department	11,417,557	11,554,618	11,448,614
Total Public Safety	26,940,345	27,282,384	26,943,288
Highways and Streets			
Public Works Department			
Administration and Support			
Personal Services	226,635	226,635	200,404
Employee Benefits	134,801	134,801	124,690
Other Employee Costs	25,802	25,802	24,973
Contractual Services	804,843	807,343	806,846
Utilities	19,470	18,470	12,334
Commodities and Supplies	15,169	15,169	12,791
Capital Expenditures	1,455	6,255	8,664
Total Administration and Support	1,228,175	1,234,475	1,190,702
Streets and Buildings Division			
Administration			
Personal Services	103,260	111,260	101,170
Employee Benefits	55,188	55,188	40,898
	158,448	166,448	142,068

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Streets and Buildings Division - Continued			
Maintenance - Public Buildings			
Personal Services	\$ 398,931	\$ 394,300	\$ 389,849
Employee Benefits	118,797	121,797	122,207
Contractual Services	351,729	351,729	245,758
Utilities	73,193	73,193	34,917
Commodities and Supplies	113,957	113,957	73,086
Other Expenditures	4,000	4,000	-
	<u>1,060,607</u>	<u>1,058,976</u>	<u>865,817</u>
Street Maintenance			
Personal Services	109,822	120,751	116,726
Employee Benefits	28,414	32,214	32,673
Contractual Services	23,185	23,185	11,399
Commodities and Supplies	25,988	25,988	12,950
	<u>187,409</u>	<u>202,138</u>	<u>173,748</u>
Snow Removal			
Personal Services	318,126	282,981	281,244
Employee Benefits	56,119	69,611	63,898
Contractual Services	86,576	236,576	199,737
Commodities and Supplies	12,855	12,855	11,135
	<u>473,676</u>	<u>602,023</u>	<u>556,014</u>
Storm Sewer/Basin Maintenance			
Personal Services	64,721	64,721	62,346
Employee Benefits	18,291	19,791	19,840
Contractual Services	11,670	11,670	2,754
Commodities and Supplies	7,231	6,731	2,792
	<u>101,913</u>	<u>102,913</u>	<u>87,732</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Streets and Buildings Division - Continued			
Maintenance of State Highways			
Personal Services	\$ 26,532	\$ 28,632	\$ 28,532
Employee Benefits	9,573	9,573	10,610
Contractual Services	17,742	17,742	14,488
Commodities and Supplies	34,045	34,045	29,360
	<u>87,892</u>	<u>89,992</u>	<u>82,990</u>
Traffic Sign Maintenance			
Personal Services	79,730	81,700	80,632
Employee Benefits	20,059	23,559	24,532
Commodities and Supplies	13,877	14,377	13,612
	<u>113,666</u>	<u>119,636</u>	<u>118,776</u>
Emergency Event			
Personal Services	-	103,900	103,712
Employee Benefits	-	18,800	18,617
Contractual Services	-	437,700	414,503
Commodities and Supplies	-	600	540
	<u>-</u>	<u>561,000</u>	<u>537,372</u>
Total Streets and Buildings Division	<u>2,183,611</u>	<u>2,903,126</u>	<u>2,564,517</u>
Forestry Division			
Administration and Support			
Personal Services	172,823	180,323	163,507
Employee Benefits	68,493	68,493	64,892
	<u>241,316</u>	<u>248,816</u>	<u>228,399</u>
Maintenance of Grounds			
Personal Services	265,377	299,946	298,690
Employee Benefits	91,217	93,682	95,661
Contractual Services	105,486	105,486	93,787
Commodities and Supplies	8,656	8,656	8,449
Capital Expenditures	69,100	69,100	61,828
	<u>539,836</u>	<u>576,870</u>	<u>558,415</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Forestry Division - Continued			
Forestry Program			
Personal Services	\$ 312,430	\$ 311,613	\$ 312,215
Employee Benefits	99,051	101,151	102,455
Other Employee Costs	3,662	3,662	3,661
Contractual Services	414,356	459,339	375,985
Commodities and Supplies	10,702	10,702	9,362
	<u>840,201</u>	<u>886,467</u>	<u>803,678</u>
Public Grounds Beautification			
Personal Services	25,615	38,226	36,424
Employee Benefits	9,129	10,229	11,098
Contractual Services	7,630	2,400	2,453
Commodities and Supplies	32,191	32,191	32,190
	<u>74,565</u>	<u>83,046</u>	<u>82,165</u>
Total Forestry Division	<u>1,695,918</u>	<u>1,795,199</u>	<u>1,672,657</u>
Engineering Division			
Engineering Services			
Personal Services	586,674	600,877	585,756
Employee Benefits	187,319	191,919	192,435
Other Employee Costs	3,552	3,552	3,037
Contractual Services	61,965	61,965	47,884
Commodities and Supplies	7,105	7,105	5,196
Capital Expenditures	2,184	2,184	1,155
	<u>848,799</u>	<u>867,602</u>	<u>835,463</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Engineering Division - Continued			
Traffic Control and Street Lighting			
Personal Services	\$ 104,300	\$ 114,590	\$ 113,892
Employee Benefits	37,976	37,976	39,581
Contractual Services	5,307	5,307	5,190
Utilities	75,000	75,000	54,709
Commodities and Supplies	25,750	25,750	18,814
	<u>248,333</u>	<u>258,623</u>	<u>232,186</u>
Total Engineering Division	<u>1,097,132</u>	<u>1,126,225</u>	<u>1,067,649</u>
Improvements			
Resurfacing/Curbs			
Infrastructure	17,000	17,000	11,896
Miscellaneous - Forestry			
Infrastructure	-	87,808	80,007
	<u>17,000</u>	<u>104,808</u>	<u>91,903</u>
Total Improvements	<u>17,000</u>	<u>104,808</u>	<u>91,903</u>
Total Highways and Streets	<u>6,221,836</u>	<u>7,163,833</u>	<u>6,587,428</u>
Health			
Community Development - Health			
Health Inspections			
Personal Services	89,734	89,734	90,055
Employee Benefits	39,432	39,432	37,882
Other Employee Costs	1,400	1,400	302
Contractual Services	8,702	8,702	7,365
Utilities	1,837	1,837	527
Commodities and Supplies	2,513	2,513	1,315
	<u>143,618</u>	<u>143,618</u>	<u>137,446</u>
Total Health	<u>143,618</u>	<u>143,618</u>	<u>137,446</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Welfare			
Human Services Department			
Administration and Support			
Personal Services	\$ 94,588	\$ 96,088	\$ 96,237
Employee Benefits	51,654	62,154	57,993
Other Employee Costs	700	1,206	500
Contractual Services	10,535	10,535	7,373
Utilities	9,755	9,755	7,417
Commodities and Supplies	5,400	5,400	3,316
Capital Expenditures	700	700	497
	<u>173,332</u>	<u>185,838</u>	<u>173,333</u>
Social Services			
Personal Services	251,469	251,469	252,472
Employee Benefits	82,284	84,084	80,097
Other Employee Costs	1,150	1,150	590
Commodities and Supplies	1,000	1,000	-
	<u>335,903</u>	<u>337,703</u>	<u>333,159</u>
Nursing/Health Services			
Personal Services	111,796	111,796	111,871
Employee Benefits	39,079	39,079	38,758
Other Employee Costs	900	900	-
Contractual Services	43,500	800	793
Commodities and Supplies	17,800	17,800	2,590
	<u>213,075</u>	<u>170,375</u>	<u>154,012</u>
Senior Citizen Leisure Activities			
Personal Services	19,138	19,138	19,171
Employee Benefits	8,966	8,966	9,143
Contractual Services	5,000	100	20
	<u>33,104</u>	<u>28,204</u>	<u>28,334</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Welfare - Continued			
Human Services Department - Continued			
Community Connections Center			
Personal Services	\$ 163,367	\$ 163,367	\$ 164,475
Employee Benefits	62,754	62,754	63,391
Other Employee Costs	1,760	1,760	153
Contractual Services	68,510	68,510	58,634
Utilities	4,120	4,150	2,795
Commodities and Supplies	5,400	5,370	1,640
Capital Expenditures	1,200	2,400	1,460
	<u>307,111</u>	<u>308,311</u>	<u>292,548</u>
Total Human Services Department	<u>1,062,525</u>	<u>1,030,431</u>	<u>981,386</u>
Community Development - Housing			
Housing Inspections			
Personal Services	344,191	344,191	330,712
Employee Benefits	133,773	133,773	129,181
Other Employee Costs	5,381	5,381	1,673
Contractual Services	52,493	56,593	39,097
Utilities	2,901	2,901	2,155
Commodities and Supplies	5,500	5,500	2,918
Capital Expenditures	4,200	4,200	587
	<u>548,439</u>	<u>552,539</u>	<u>506,323</u>
Total Community Development - Housing	<u>548,439</u>	<u>552,539</u>	<u>506,323</u>
Total Welfare	<u>1,610,964</u>	<u>1,582,970</u>	<u>1,487,709</u>
Culture and Recreation			
Public Representation - Community and Civic Services			
Community Groups and Miscellaneous			
Contractual Services	108,700	108,700	87,259
Other Expenditures	8,000	8,000	8,227
	<u>116,700</u>	<u>116,700</u>	<u>95,486</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Public Representation - Community and Civic Services - Continued			
4th of July and Civic Events			
Personal Services	\$ 94,169	\$ 122,000	\$ 120,295
Employee Benefits	12,122	18,224	18,927
Contractual Services	25,995	30,995	25,464
Commodities and Supplies	37,430	37,430	36,586
	<u>169,716</u>	<u>208,649</u>	<u>201,272</u>
Holiday Decorations			
Personal Services	8,184	8,184	7,942
Employee Benefits	1,895	1,895	1,935
Contractual Services	53,390	53,390	23,456
Commodities and Supplies	17,500	17,500	13,224
	<u>80,969</u>	<u>80,969</u>	<u>46,557</u>
Blood Drive Program			
Personal Services	1,844	1,844	1,843
Employee Benefits	142	142	141
Commodities and Supplies	-	750	769
	<u>1,986</u>	<u>2,736</u>	<u>2,753</u>
Total Culture and Recreation	<u>369,371</u>	<u>409,054</u>	<u>346,068</u>
Total Expenditures	<u>\$ 40,570,430</u>	<u>\$ 41,975,978</u>	<u>\$ 40,786,107</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Refuse Disposal - Special Revenue Fund

Schedule of Revenues - Budget and Actual Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Taxes			
Property - Levy	\$ 1,751,000	\$ 1,751,000	\$ 1,760,425
Charges for Services			
Single-Family Service Charges	975,000	975,000	975,376
Multi-Family Service Charges	963,782	963,782	913,861
Single-Family Penalties	21,000	21,000	13,959
Multi-Family Penalties	14,500	14,500	15,584
Contract Admin Fees	138,000	138,000	146,934
Refuse Stickers	225,000	225,000	207,169
Recycling Bins	650	650	450
Total Charges for Services	2,337,932	2,337,932	2,273,333
Interest	1,200	1,200	-
Miscellaneous	500	500	64
Total Revenues	\$ 4,090,632	\$ 4,090,632	\$ 4,033,822

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property - Levy	\$ 1,754,000	\$ 1,754,000	\$ 1,763,942
Other Taxes			
Home Rule Sales Tax	682,000	682,000	733,673
Interest	2,500	2,500	-
Miscellaneous			
Reimbursements	47,258	47,258	47,258
Total Revenues	<u>2,485,758</u>	<u>2,485,758</u>	<u>2,544,873</u>
Expenditures			
Debt Service			
Principal Retirement	1,312,701	1,377,701	1,377,700
Interest and Fiscal Charges	1,103,847	1,044,406	1,057,464
Total Expenditures	<u>2,416,548</u>	<u>2,422,107</u>	<u>2,435,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>69,210</u>	<u>63,651</u>	<u>109,709</u>
Other Financing Sources (Uses)			
Debt Issuance	-	-	5,160,000
Payments to Escrow Agent	-	-	(5,139,582)
Transfers In	-	80,200	80,089
	<u>-</u>	<u>80,200</u>	<u>100,507</u>
Net Change in Fund Balance	<u>\$ 69,210</u>	<u>\$ 143,851</u>	210,216
Fund Balance - Beginning			<u>(78,844)</u>
Fund Balance - Ending			<u>\$ 131,372</u>

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 in which the Village participates. 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.

Justice Assistance Grant Fund: The Justice Assistance Grant Fund is used to account for the revenues and expenditures associated with the Justice Assistance Grant Fund. The grant is provided by the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

Business District Fund: The Business District Fund is used to account for the revenues and expenditures associated with the Business Districts within the Village. The Village currently has one Business District, the Randhurst Village Business District Area.

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.

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.

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.

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, 2011

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 592,878	\$ 3,221,653	\$ 3,814,531
Receivables - Net of Allowances			
Property Taxes	-	122,964	122,964
Other Taxes	12,497	771,918	784,415
Other	11,302	-	11,302
Due from Other Governments	455,188	59,210	514,398
Prepays	1,066	-	1,066
Total Assets	\$ 1,072,931	\$ 4,175,745	\$ 5,248,676
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 61,591	\$ 456,898	\$ 518,489
Accrued Payroll	2,933	-	2,933
Due to Other Funds	128,405	128,643	257,048
Unearned/Deferred Revenues	182,139	30,219	212,358
Total Liabilities	375,068	615,760	990,828
Fund Balances			
Nonspendable	1,066	-	1,066
Restricted	697,446	-	697,446
Assigned	-	3,564,914	3,564,914
Unassigned	(649)	(4,929)	(5,578)
Total Fund Balances	697,863	3,559,985	4,257,848
Total Liabilities and Fund Balances	\$ 1,072,931	\$ 4,175,745	\$ 5,248,676

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2011

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ 139,940	\$ 5,905,447	\$ 6,045,387
Intergovernmental	2,070,340	423,610	2,493,950
Charges for Services	-	6,781	6,781
Interest	35	1	36
Miscellaneous	41,937	82,397	124,334
Total Revenues	<u>2,252,252</u>	<u>6,418,236</u>	<u>8,670,488</u>
Expenditures			
Public Safety	49,247	-	49,247
Highways and Streets	1,094,106	-	1,094,106
Welfare	415,132	-	415,132
Capital Outlay	-	7,274,213	7,274,213
Total Expenditures	<u>1,558,485</u>	<u>7,274,213</u>	<u>8,832,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	693,767	(855,977)	(162,210)
Other Financing (Uses) Transfers Out	-	(115,342)	(115,342)
Net Change in Fund Balances	693,767	(971,319)	(277,552)
Fund Balances - Beginning	<u>4,096</u>	<u>4,531,304</u>	<u>4,535,400</u>
Fund Balances - Ending	<u>\$ 697,863</u>	<u>\$ 3,559,985</u>	<u>\$ 4,257,848</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2011

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

December 31, 2011

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	DEA Shared Funds
ASSETS				
Cash and Investments	\$ 249,585	\$ -	\$ 54,000	\$ 4,909
Receivables - Net of Allowances				
Other Taxes	-	-	-	-
Other	6,037	-	-	-
Due from Other Governments	127,515	327,673	-	-
Prepays	-	649	-	-
Total Assets	\$ 383,137	\$ 328,322	\$ 54,000	\$ 4,909
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 46,743	\$ 14,845	\$ -	\$ -
Accrued Payroll	-	2,933	-	-
Due to Other Funds	-	128,405	-	-
Unearned/Deferred Revenues	-	182,139	-	-
Total Liabilities	46,743	328,322	-	-
Fund Balances				
Nonspendable	-	649	-	-
Restricted	336,394	-	54,000	4,909
Unassigned	-	(649)	-	-
Total Fund Balances	336,394	-	54,000	4,909
Total Liabilities and Fund Balances	\$ 383,137	\$ 328,322	\$ 54,000	\$ 4,909

DUI Fines	Foreign Fire Insurance	Justice Assistance Grant	Business District	Totals
\$ 38,867	\$ 170,616	\$ 10,203	\$ 64,698	\$ 592,878
-	-	-	12,497	12,497
5,265	-	-	-	11,302
-	-	-	-	455,188
-	417	-	-	1,066
<u>\$ 44,132</u>	<u>\$ 171,033</u>	<u>\$ 10,203</u>	<u>\$ 77,195</u>	<u>\$ 1,072,931</u>
\$ -	\$ 3	\$ -	\$ -	\$ 61,591
-	-	-	-	2,933
-	-	-	-	128,405
-	-	-	-	182,139
-	3	-	-	375,068
-	417	-	-	1,066
44,132	170,613	10,203	77,195	697,446
-	-	-	-	(649)
<u>44,132</u>	<u>171,030</u>	<u>10,203</u>	<u>77,195</u>	<u>697,863</u>
<u>\$ 44,132</u>	<u>\$ 171,033</u>	<u>\$ 10,203</u>	<u>\$ 77,195</u>	<u>\$ 1,072,931</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, 2011**

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	DEA Shared Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,641,064	392,925	4,261	-
Interest	-	-	-	35
Miscellaneous	19,730	22,207	-	-
Total Revenues	1,660,794	415,132	4,261	35
Expenditures				
Current				
Public Safety	-	-	10,466	11,875
Highways and Streets	1,094,106	-	-	-
Welfare	-	415,132	-	-
Total Expenditures	1,094,106	415,132	10,466	11,875
Net Change in Fund Balances	566,688	-	(6,205)	(11,840)
Fund Balances - Beginning	(230,294)	-	60,205	16,749
Fund Balances - Ending	\$ 336,394	\$ -	\$ 54,000	\$ 4,909

DUI Fines	Foreign Fire Insurance	Justice Assistance Grant	Business District	Totals
\$ -	\$ 62,745	\$ -	\$ 77,195	\$ 139,940
21,887	-	10,203	-	2,070,340
-	-	-	-	35
-	-	-	-	41,937
21,887	62,745	10,203	77,195	2,252,252
19,057	7,849	-	-	49,247
-	-	-	-	1,094,106
-	-	-	-	415,132
19,057	7,849	-	-	1,558,485
2,830	54,896	10,203	77,195	693,767
41,302	116,134	-	-	4,096
\$ 44,132	\$ 171,030	\$ 10,203	\$ 77,195	\$ 697,863

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,432,500	\$ 1,625,000	\$ 1,641,064
Interest	1,200	1,200	-
Miscellaneous	52,000	17,000	19,730
Total Revenues	<u>1,485,700</u>	<u>1,643,200</u>	<u>1,660,794</u>
Expenditures			
Highway and Streets			
Street Division	<u>1,086,302</u>	<u>1,221,302</u>	<u>1,094,106</u>
Net Change in Fund Balance	<u>\$ 399,398</u>	<u>\$ 421,898</u>	566,688
Fund Balance - Beginning			<u>(230,294)</u>
Fund Balance - Ending			<u>\$ 336,394</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Highway and Streets			
Street Maintenance			
Contractual Services	\$ 99,432	\$ 99,432	\$ 46,984
Snow Removal			
Commodities and Supplies	200,000	275,000	241,328
Traffic Control/Street Lighting			
Contractual Services	86,870	86,870	76,198
Utilities	150,000	150,000	150,320
Infrastructure	-	60,000	29,276
Total Traffic Control/Street Lighting	236,870	296,870	255,794
Street Improvement Projects			
Infrastructure	550,000	550,000	550,000
Total Expenditures	\$ 1,086,302	\$ 1,221,302	\$ 1,094,106

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grant - CDBG	\$ 395,219	\$ 395,219	\$ 392,925
Miscellaneous			
Program Income	60,000	60,000	22,207
Total Revenues	<u>455,219</u>	<u>455,219</u>	<u>415,132</u>
Expenditures			
Welfare			
Administration	97,664	97,664	69,182
Community Programs	62,000	62,000	70,338
Residential Rehabilitation	295,555	321,570	215,057
CDBG Programs	-	60,555	60,555
Total Expenditures	<u>455,219</u>	<u>541,789</u>	<u>415,132</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (86,570)</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, 2011

	Budget		Actual
	Original	Final	
Welfare			
Administration and Support			
Personal Services	\$ 63,550	\$ 63,550	\$ 42,834
Employee Benefits	25,162	25,162	21,078
Other Employee Costs	1,850	1,850	595
Contractual Services	6,125	6,125	4,618
Commodities and Supplies	977	977	57
Total Administration and Support	97,664	97,664	69,182
Community Programs			
Contractual Services	62,000	62,000	70,338
Residential Rehabilitation			
Personal Services	-	-	21,396
Employee Benefits	-	-	3,907
Contractual Services	115,555	55,000	8,640
Other Expenditures	180,000	266,570	181,114
Total Residential Rehabilitation	295,555	321,570	215,057
CDBG Programs			
Briarwood Project			
Contractual Services	-	60,555	60,555
Total Expenditures	\$ 455,219	\$ 541,789	\$ 415,132

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Seized Assets	\$ 1,000	\$ 5,000	\$ 4,261
Interest	2,500	2,500	-
Total Revenues	<u>3,500</u>	<u>7,500</u>	<u>4,261</u>
Expenditures			
Public Safety			
Other Employee Costs	1,000	1,000	-
Contractual Services	1,500	1,500	-
Capital Expenditures	1,000	11,000	10,466
Total Expenditures	<u>3,500</u>	<u>13,500</u>	<u>10,466</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,000)</u>	(6,205)
Fund Balance - Beginning			<u>60,205</u>
Fund Balance - Ending			<u>\$ 54,000</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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DEA Shared Funds	\$ 1,500	\$ 1,500	\$ -
Interest	500	500	35
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>35</u>
Expenditures			
Public Safety			
Contractual Services	1,000	1,000	375
Capital Expenditures	1,000	11,600	11,500
Total Expenditures	<u>2,000</u>	<u>12,600</u>	<u>11,875</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (10,600)</u>	(11,840)
Fund Balance - Beginning			<u>16,749</u>
Fund Balance - Ending			<u>\$ 4,909</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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DUI Fines	\$ 1,000	\$ 12,500	\$ 21,887
Interest	500	500	-
Total Revenues	<u>1,500</u>	<u>13,000</u>	<u>21,887</u>
Expenditures			
Public Safety			
Patrol and Traffic Enforcement			
Capital Expenditures	<u>1,500</u>	<u>19,500</u>	<u>19,057</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,500)</u>	2,830
Fund Balance - Beginning			<u>41,302</u>
Fund Balance - Ending			<u>\$ 44,132</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Foreign Fire Insurance Tax	\$ 44,000	\$ 65,000	\$ 62,745
Interest	500	500	-
Total Revenues	<u>44,500</u>	<u>65,500</u>	<u>62,745</u>
Expenditures			
Public Safety			
Insurance	550	1,050	540
Contractual Services	10,000	10,000	2,695
Commodities and Supplies	3,000	2,500	869
Equipment	15,000	15,000	3,745
Total Expenditures	<u>28,550</u>	<u>28,550</u>	<u>7,849</u>
Net Change in Fund Balance	<u>\$ 15,950</u>	<u>\$ 36,950</u>	54,896
Fund Balance - Beginning			<u>116,134</u>
Fund Balance - Ending			<u>\$ 171,030</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Justice Assistance Grant - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Byrne Justice Grant	\$ -	\$ -	\$ 10,203
Expenditures			
Public Safety	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	10,203
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>\$ 10,203</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Business District - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Movie Theatre Tax	\$ -	\$ 75,000	\$ 77,195
Expenditures			
General Government	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 75,000</u>	77,195
Fund Balance - Beginning			<u>-</u>
Fund Balance - Ending			<u>\$ 77,195</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

December 31, 2011

	Capital Improvement	Series 2009 Construction
ASSETS		
Cash and Investments	\$ 1,738,374	\$ 12,856
Receivables - Net of Allowances		
Property Taxes	-	-
Other Taxes	294,255	-
Due from Other Governments	958	24,002
	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,033,587</u>	<u>\$ 36,858</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 146,421	\$ -
Due to Other Funds	-	-
Unearned/Deferred Revenue	5,219	-
Total Liabilities	<u>151,640</u>	<u>-</u>
Fund Balances		
Assigned	1,881,947	36,858
Unassigned	-	-
Total Fund Balances	<u>1,881,947</u>	<u>36,858</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,033,587</u>	<u>\$ 36,858</u>

Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
\$ 1,201,064	\$ 269,359	\$ -	\$ 3,221,653
122,964	-	-	122,964
-	124,862	352,801	771,918
-	-	34,250	59,210
<u>\$ 1,324,028</u>	<u>\$ 394,221</u>	<u>\$ 387,051</u>	<u>\$ 4,175,745</u>
\$ 29,140	\$ 18,000	\$ 263,337	\$ 456,898
-	-	128,643	128,643
-	25,000	-	30,219
<u>29,140</u>	<u>43,000</u>	<u>391,980</u>	<u>615,760</u>
1,294,888	351,221	-	3,564,914
-	-	(4,929)	(4,929)
<u>1,294,888</u>	<u>351,221</u>	<u>(4,929)</u>	<u>3,559,985</u>
<u>\$ 1,324,028</u>	<u>\$ 394,221</u>	<u>\$ 387,051</u>	<u>\$ 4,175,745</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2011

	Capital Improvement	Series 2009 Construction
Revenues		
Taxes		
Property Taxes	\$ -	\$ -
Other	1,087,601	-
Charges for Services	-	-
Intergovernmental	364,214	27,164
Miscellaneous	20,660	-
Interest	-	1
Total Revenues	1,472,475	27,165
Expenditures		
Capital Outlay	804,268	148,139
Excess (Deficiency) of Revenues Over (Under) Expenditures	668,207	(120,974)
Other Financing (Uses)		
Transfers Out	(35,253)	-
Net Change in Fund Balances	632,954	(120,974)
Fund Balances - Beginning	1,248,993	157,832
Fund Balances - Ending	\$ 1,881,947	\$ 36,858

Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
\$ 2,821,198	\$ -	\$ -	\$ 2,821,198
-	461,504	1,535,144	3,084,249
-	6,781	-	6,781
-	9,453	22,779	423,610
342	56,744	4,651	82,397
-	-	-	1
2,821,540	534,482	1,562,574	6,418,236
4,263,270	57,240	2,001,296	7,274,213
(1,441,730)	477,242	(438,722)	(855,977)
(80,089)	-	-	(115,342)
(1,521,819)	477,242	(438,722)	(971,319)
2,816,707	(126,021)	433,793	4,531,304
\$ 1,294,888	\$ 351,221	\$ (4,929)	\$ 3,559,985

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes			
Home Rules Sales Tax	\$ 1,011,000	\$ 1,011,000	\$ 1,087,601
Intergovernmental			
Grants	100,000	300,000	364,214
Interest	5,000	-	-
Miscellaneous			
Donations	5,000	25,000	20,660
Total Revenues	<u>1,121,000</u>	<u>1,336,000</u>	<u>1,472,475</u>
Expenditures			
Capital Outlay			
Village Facilities	175,000	290,840	222,324
Equipment	340,500	942,389	189,769
Public Improvements	196,000	165,125	138,570
Infrastructure	264,000	517,086	253,605
Total Expenditures	<u>975,500</u>	<u>1,915,440</u>	<u>804,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,500	(579,440)	668,207
Other Financing (Uses)			
Transfers Out	-	-	(35,253)
Net Change in Fund Balance	<u>\$ 145,500</u>	<u>\$ (579,440)</u>	632,954
Fund Balance - Beginning			<u>1,248,993</u>
Fund Balance - Ending			<u>\$ 1,881,947</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Capital Outlay			
Village Facilities			
Other Public Buildings	\$ 175,000	\$ 263,940	\$ 200,101
Professional Services - Bike Plan EECBG	-	26,900	22,223
Total Village Facilities	175,000	290,840	222,324
Equipment			
Desktop Operating System	35,000	35,000	12,769
Server Virtualization	13,500	19,589	-
Avid Edit System	19,000	19,000	13,497
Computer Financial Software	200,000	522,800	124,140
Digital Surveillance Equipment	73,000	73,000	29,148
Grant Expenditures EECBG	-	23,000	10,215
Emergency Generator	-	250,000	-
Total Equipment	340,500	942,389	189,769
Public Improvement			
Corridor Improvements	-	26,065	9,400
Police and Fire Building Improvements	196,000	139,060	129,170
Total Public Improvement	196,000	165,125	138,570
Infrastructure			
Residential Street Lights	75,000	101,871	46,909
Kensington Road Turn Lanes	70,000	182,699	3,272
Detention Pond Improvement	119,000	232,516	203,424
Total Infrastructure	264,000	517,086	253,605
Total Expenditures	\$ 975,500	\$ 1,915,440	\$ 804,268

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ -	\$ -	\$ 27,164
Interest	-	-	1
Total Revenues	-	-	27,165
Expenditures			
Capital Outlay			
Village Facilities			
Other Professional Services	-	750	350
Equipment			
Office Equipment	-	2,200	2,124
Other Equipment	-	145,200	145,665
Total Expenditures	-	148,150	148,139
Net Change in Fund Balance	\$ -	\$ (148,150)	(120,974)
Fund Balance - Beginning			157,832
Fund Balance - Ending			\$ 36,858

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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes - Other			
Tax Increment	\$ 2,665,000	\$ 2,915,000	\$ 2,821,198
Interest	2,500	-	-
Miscellaneous	-	-	342
Total Revenues	<u>2,667,500</u>	<u>2,915,000</u>	<u>2,821,540</u>
Expenditures			
Capital Outlay			
Public Improvements			
Contractual Services	78,500	78,500	58,295
Public Improvements	2,600,155	3,966,398	3,953,168
Infrastructure	210,002	278,136	251,807
Total Expenditures	<u>2,888,657</u>	<u>4,323,034</u>	<u>4,263,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221,157)	(1,408,034)	(1,441,730)
Other Financing (Uses)			
Transfers Out	-	-	(80,089)
Net Change in Fund Balance	<u>\$ (221,157)</u>	<u>\$ (1,408,034)</u>	(1,521,819)
Fund Balance - Beginning			<u>2,816,707</u>
Fund Balance - Ending			<u>\$ 1,294,888</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Downtown Redevelopment Construction - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Contractual Services			
Audit Services	\$ 1,500	\$ 1,500	\$ 920
Other Professional Services	20,000	20,000	375
Streetscape Corridor Maintenance	57,000	57,000	57,000
Total Contractual Services	78,500	78,500	58,295
Public Improvements			
Other Financing Costs	10,000	70,000	68,740
Property Tax Expense	-	15,400	15,364
NWE Sales Tax Rebate	83,000	83,000	101,066
Return of Increment Cook County Collector	2,447,155	3,737,998	3,737,998
Façade Program	60,000	60,000	30,000
Total Public Improvements	2,600,155	3,966,398	3,953,168
Infrastructure			
Downtown Streetscape Program	175,000	243,134	221,807
Brick Sidewalk	35,002	35,002	30,000
Total Infrastructure	210,002	278,136	251,807
Total Expenditures	\$ 2,888,657	\$ 4,323,034	\$ 4,263,270

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes			
Home Rule Sales Tax	\$ 429,000	\$ 429,000	\$ 461,504
Intergovernmental			
DCEO Grant	-	-	9,453
Charges for Services	50,000	10,000	6,781
Miscellaneous	57,079	57,079	56,744
Total Revenues	<u>536,079</u>	<u>496,079</u>	<u>534,482</u>
Expenditures			
Capital Outlay			
Public Improvements			
Infrastructure	400,000	450,000	57,240
Other	5,150	5,150	-
Total Expenditures	<u>405,150</u>	<u>455,150</u>	<u>57,240</u>
Net Change in Fund Balance	<u>\$ 130,929</u>	<u>\$ 40,929</u>	477,242
Fund Balance - Beginning			<u>(126,021)</u>
Fund Balance - Ending			<u>\$ 351,221</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Flood Control Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Infrastructure			
Creek Bank Stabilization	\$ 25,000	\$ 50,000	\$ 23,868
Creek Tree Trimming	25,000	25,000	22,912
Levee 37	50,000	50,000	-
Drainage Improvements	300,000	300,000	1,007
DCEO Hatlen Heights	-	25,000	9,453
	<u>400,000</u>	<u>450,000</u>	<u>57,240</u>
Other			
Residential Reimbursements	<u>5,150</u>	<u>5,150</u>	-
Total Expenditures	<u>\$ 405,150</u>	<u>\$ 455,150</u>	<u>\$ 57,240</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, 2011**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Home Rule Sales Tax	\$ 1,111,000	\$ 1,111,000	\$ 1,195,178
Municipal Motor Fuel Tax	260,000	285,000	339,966
Intergovernmental			
EECBG Grant	-	-	12,500
DCEO Grant	-	-	10,279
Interest	1,000	1,000	-
Miscellaneous	-	5,000	4,651
Total Revenues	<u>1,372,000</u>	<u>1,402,000</u>	<u>1,562,574</u>
Expenditures			
Capital Outlay			
Contractual Services	142,000	89,708	18,369
Infrastructure			
Street Reconstruction	1,605,000	2,482,932	1,982,927
Total Expenditures	<u>1,747,000</u>	<u>2,572,640</u>	<u>2,001,296</u>
Net Change in Fund Balance	<u>\$ (375,000)</u>	<u>\$ (1,170,640)</u>	(438,722)
Fund Balance - Beginning			<u>433,793</u>
Fund Balance - Ending			<u>\$ (4,929)</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 sewerage lift and relief stations and waste water 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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 9,298,000	\$ 9,303,000	\$ 9,081,731
Operating Expenses			
Administration and Maintenance	10,830,434	13,268,372	9,997,460
Depreciation	-	-	446,787
Total Operating Expenses	10,830,434	13,268,372	10,444,247
Operating Income (Loss)	(1,532,434)	(3,965,372)	(1,362,516)
Nonoperating Revenues (Expenses)			
Property Taxes	1,516,000	1,516,000	1,526,828
Interest Income	7,000	7,000	836
Other Income	37,000	52,000	78,484
Disposal of Capital Assets	-	-	(4,626)
	1,560,000	1,575,000	1,601,522
Change in Net Assets	\$ 27,566	\$ (2,390,372)	239,006
Net Assets - Beginning, as Restated			31,469,468
Net Assets - Ending			\$ 31,708,474

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales	\$ 6,325,000	\$ 6,325,000	\$ 6,275,237
Sewer Fees	2,041,000	2,041,000	1,874,233
Sewer Construction Charge	786,000	786,000	789,451
Water Penalties	120,000	120,000	117,307
Water Meter Fees	15,000	15,000	10,873
Water and Sewer Taps	10,000	15,000	14,630
Miscellaneous	1,000	1,000	-
Total Operating Revenues	<u>\$ 9,298,000</u>	<u>\$ 9,303,000</u>	<u>\$ 9,081,731</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Administration and Support			
Personal Services	\$ 383,009	\$ 383,009	\$ 359,245
Employee Benefits	183,600	183,600	135,774
Other Employee Costs	35,941	61,226	39,663
Contractual Services	631,324	645,464	638,867
Utilities	67,955	67,955	37,121
Insurance	76,838	76,838	76,838
Commodities and Supplies	11,660	11,660	8,750
Capital Expenses	-	3,246	2,158
Total Administration and Support	1,390,327	1,432,998	1,298,416
Maintenance of Buildings			
Personal Services	142,733	107,733	118,241
Employee Benefits	60,120	60,120	56,701
Contractual Services	36,365	36,365	28,120
Utilities	12,391	12,391	4,642
Commodities and Supplies	1,123	1,123	822
Total Maintenance of Buildings	252,732	217,732	208,526
Maintenance of Grounds			
Personal Services	130,711	72,711	62,789
Employee Benefits	29,090	29,090	18,779
Contractual Services	63,000	88,211	57,494
Commodities and Supplies	5,799	5,799	5,424
Total Maintenance of Grounds	228,600	195,811	144,486
Water Supply Maintenance and Repair			
Personal Services	392,348	392,348	375,274
Employee Benefits	148,450	148,450	155,448
Contractual Services	47,338	64,546	38,821
Utilities	95,000	95,000	52,264
Commodities and Supplies	75,182	75,182	44,384

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Water Supply Maintenance and Repair - Continued			
Capital Expenses	\$ -	\$ 21,000	\$ 19,902
Total Water Supply Maintenance and Repair	758,318	796,526	686,093
Water Distribution Maintenance and Repair			
Personal Services	290,615	290,615	249,947
Employee Benefits	85,932	85,932	82,316
Contractual Services	226,137	264,125	149,978
Commodities and Supplies	69,319	69,319	59,132
Capital Expenses	126,344	9,344	-
Total Water Distribution Maintenance and Repair	798,347	719,335	541,373
Water Valve and Hydrant Maintenance			
Personal Services	236,294	236,294	272,115
Employee Benefits	90,152	90,152	97,005
Contractual Services	4,455	14,455	12,531
Commodities and Supplies	108,436	98,436	72,848
Total Water Valve and Hydrant Maintenance	439,337	439,337	454,499
Water Meter Installation, Repair and Replacement			
Personal Services	176,870	176,870	128,636
Employee Benefits	60,647	60,647	52,913
Contractual Services	101,703	120,603	75,767
Commodities and Supplies	4,949	4,949	(34,666)
Capital Expenses	163,345	105,215	57,227
Total Water Meter Installation, Repair and Replacement	507,514	468,284	279,877

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Equipment Maintenance			
Contractual Services	\$ 572,649	\$ 572,649	\$ 572,649
Sanitary Sewer Maintenance and Repair			
Personal Services	218,395	207,395	196,667
Employee Benefits	68,690	68,690	65,688
Contractual Services	137,213	144,703	116,675
Utilities	22,660	22,660	21,694
Commodities and Supplies	26,152	27,152	26,100
Total Sanitary Sewer Maintenance and Repair	473,110	470,600	426,824
Water System Improvements			
Contractual Services	50,000	77,000	47,283
Capital Expenses	1,658,000	1,980,450	1,128,027
	1,708,000	2,057,450	1,175,310
Less Capital Assets Capitalized	-	-	(896,561)
Total Water System Improvements	1,708,000	2,057,450	278,749
Sanitary System Improvements			
Capital Expenses	-	2,092,150	1,943,964
Less Capital Assets Capitalized	-	-	(552,695)
Total Sanitary System Improvements	-	2,092,150	1,391,269
Lake Michigan Water Acquisition			
Contractual Services	3,701,500	3,805,500	3,714,699
Total Administration and Maintenance	10,830,434	13,268,372	9,997,460
Depreciation	-	-	446,787
Total Operating Expenses	\$ 10,830,434	\$ 13,268,372	\$ 10,444,247

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Net Assets - Nonmajor Enterprise Funds
December 31, 2011

	Parking System Revenue	Village Parking System	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	\$ 330,277	\$ 330,277
Receivables - Net of Allowances			
Other Taxes	16,008	13,097	29,105
Total Current Assets	16,008	343,374	359,382
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	232,354	232,354
Depreciable	364,800	-	364,800
Accumulated Depreciation	(364,800)	-	(364,800)
Total Noncurrent Assets	-	232,354	232,354
Total Assets	16,008	575,728	591,736

	Parking System Revenue	Village Parking System	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	14,071	688	14,759
Accrued Payroll	2,132	1,028	3,160
Due to Other Funds	194,158	-	194,158
Unearned/Deferred Revenue	4,541	19,251	23,792
Compensated Absences Payable	379	343	722
Total Current Liabilities	<u>215,281</u>	<u>21,310</u>	<u>236,591</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,516	1,373	2,889
Net Other Post-Employment Benefits Obligation Payable	30	240	270
Total Noncurrent Liabilities	<u>1,546</u>	<u>1,613</u>	<u>3,159</u>
Total Liabilities	<u>216,827</u>	<u>22,923</u>	<u>239,750</u>
NET ASSETS			
Invested in Capital Assets	-	232,354	232,354
Unrestricted	(200,819)	320,451	119,632
Total Net Assets	<u>\$ (200,819)</u>	<u>\$ 552,805</u>	<u>\$ 351,986</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds
Year Ended December 31, 2011

	Parking System Revenue	Village Parking System	Totals
Operating Revenues			
Charges for Services			
Parking Fees	\$ 110,840	\$ 108,200	\$ 219,040
Operating Expenses			
Administration, Maintenance and Improvements	212,818	114,406	327,224
Operating Income (Loss)	(101,978)	(6,206)	(108,184)
Nonoperating Revenues			
Home Rule Sales Tax	59,167	48,409	107,576
Change in Net Assets	(42,811)	42,203	(608)
Net Assets - Beginning, as Restated	(158,008)	510,602	352,594
Net Assets - Ending	\$ (200,819)	\$ 552,805	\$ 351,986

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
Year Ended December 31, 2011**

	Parking System Revenue	Village Parking System	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 168,196	\$ 154,876	\$ 323,072
Payments to Suppliers	(218,973)	(83,016)	(301,989)
Payments to Employees	(38,310)	(21,547)	(59,857)
Net Change in Cash and Cash Equivalents	(89,087)	50,313	(38,774)
Cash and Cash Equivalents - Beginning of Year	89,087	279,964	369,051
Cash and Cash Equivalents - End of Year	\$ -	\$ 330,277	\$ 330,277
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	\$ (101,978)	\$ (6,206)	\$ (108,184)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.			
Other Income	59,167	48,409	107,576
(Increase) Decrease in Current Assets	(1,811)	(1,733)	(3,544)
Increase (Decrease) in Current Liabilities	(44,465)	9,843	(34,622)
Net Cash Provided by Operating Activities	\$ (89,087)	\$ 50,313	\$ (38,774)

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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Parking Fees - Lot A	\$ 60,000	\$ 60,000	\$ 60,103
Parking Fees - Lot C	51,000	51,000	50,737
Total Operating Revenues	111,000	111,000	110,840
Operating Expenses			
Administration, Maintenance and Improvements	262,295	287,295	212,818
Operating Income (Loss)	(151,295)	(176,295)	(101,978)
Nonoperating Revenues			
Home Rule Sales Tax	55,000	55,000	59,167
Interest Income	500	500	-
	55,500	55,500	59,167
Change in Net Assets	\$ (95,795)	\$ (120,795)	(42,811)
Net Assets - Beginning			(158,008)
Net Assets - Ending			\$ (200,819)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Parking System Revenue - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 23,866	\$ 23,866	\$ 40,557
Employee Benefits	9,488	9,488	14,435
Contractual Services	103,027	103,027	96,867
Utilities	10,317	10,317	8,598
Insurance	1,011	1,011	1,011
Commodities and Supplies	9,586	9,586	5,420
Capital Expenses	105,000	130,000	45,930
Total Operating Expenses	\$ 262,295	\$ 287,295	\$ 212,818

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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Rental Fees	\$ 3,300	\$ 3,300	\$ 1,650
Parking Fees - Lot D	95,000	100,000	101,753
Space Rent - Wille Street Lot	7,000	7,000	4,797
Total Operating Revenues	<u>105,300</u>	<u>110,300</u>	<u>108,200</u>
Operating Expenses			
Administration, Maintenance and Improvements	<u>210,017</u>	<u>210,017</u>	<u>114,406</u>
Operating Income (Loss)	<u>(104,717)</u>	<u>(99,717)</u>	<u>(6,206)</u>
Nonoperating Revenues			
Home Rule Sales Tax	45,000	45,000	48,409
Interest Income	500	500	-
	<u>45,500</u>	<u>45,500</u>	<u>48,409</u>
Change in Net Assets	<u>\$ (59,217)</u>	<u>\$ (54,217)</u>	42,203
Net Assets - Beginning, as Restated			<u>510,602</u>
Net Assets - Ending			<u>\$ 552,805</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Village Parking System - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 29,176	\$ 29,176	\$ 21,756
Employee Benefits	11,146	11,146	9,827
Contractual Services	81,640	81,640	70,476
Insurance	755	755	755
Commodities and Supplies	500	500	92
Capital Expenses	86,800	86,800	11,500
Total Operating Expenses	<u>\$ 210,017</u>	<u>\$ 210,017</u>	<u>\$ 114,406</u>

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 Village Parking Funds.

Vehicle Maintenance Fund: 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

**Combining Statement of Net Assets - Internal Service Funds
Year Ended December 31, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Net Assets - Internal Service Funds
December 31, 2011

	<u>Computer Replacement</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 858,541
Receivables - Net of Allowances	
Other	-
Due from Other Governments	-
Prepays	-
Inventories	-
Total Current Assets	<u>858,541</u>
Noncurrent Assets	
Capital Assets	
Depreciable	65,253
Accumulated Depreciation	<u>(12,525)</u>
	52,728
Other Assets	
Deposits - Insurance	-
Total Noncurrent Assets	<u>52,728</u>
Total Assets	<u>911,269</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Accrued Payroll	-
Claims Payable	-
Compensated Absences Payable	-
Total Current Liabilities	<u>-</u>
Long-Term Liabilities	
Compensated Absences Payable	-
Net Other Post-Employment Benefit Obligation Payable	-
Total Long-Term Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
NET ASSETS	
Invested in Capital Assets	52,728
Unrestricted	<u>858,541</u>
Total Net Assets	<u>\$ 911,269</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 2,673,890	\$ 6,152,809	\$ 329,365	\$ 10,014,605
539	-	2,702	3,241
-	3,380	8,191	11,571
24,978	-	81	25,059
-	-	409,706	409,706
2,699,407	6,156,189	750,045	10,464,182
-	10,253,097	139,860	10,458,210
-	(6,413,366)	(106,755)	(6,532,646)
-	3,839,731	33,105	3,925,564
561,533	-	-	561,533
561,533	3,839,731	33,105	4,487,097
3,260,940	9,995,920	783,150	14,951,279
160,486	16,034	25,657	202,177
-	-	43,390	43,390
1,174,656	-	-	1,174,656
-	-	34,439	34,439
1,335,142	16,034	103,486	1,454,662
-	-	137,756	137,756
-	-	1,822	1,822
-	-	139,578	139,578
1,335,142	16,034	243,064	1,594,240
-	3,839,731	33,105	3,925,564
1,925,798	6,140,155	506,981	9,431,475
\$ 1,925,798	\$ 9,979,886	\$ 540,086	\$ 13,357,039

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
Year Ended December 31, 2011

	<u>Computer Replacement</u>
Operating Revenues	
Charges for Services	\$ 231,921
Contributions	-
Miscellaneous	-
Total Operating Revenues	<u>231,921</u>
Operating Expenses	
Administration and Maintenance	41,879
Insurance and Claims	-
Depreciation	9,525
Total Operating Expenses	<u>51,404</u>
Operating Income (Loss)	<u>180,517</u>
Nonoperating Revenues	
Interest Income	540
Disposal of Capital Assets	-
	<u>540</u>
Income (Loss) Before Transfers	181,057
Transfers In	<u>35,253</u>
Change in Net Assets	216,310
Net Assets - Beginning, as Restated	<u>694,959</u>
Net Assets - Ending	<u>\$ 911,269</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 5,243,679	\$ 715,429	\$ 1,902,802	\$ 8,093,831
1,087,496	-	-	1,087,496
5,537	-	375	5,912
6,336,712	715,429	1,903,177	9,187,239
321,458	76,244	1,943,546	2,383,127
7,031,444	-	-	7,031,444
-	778,948	9,324	797,797
7,352,902	855,192	1,952,870	10,212,368
(1,016,190)	(139,763)	(49,693)	(1,025,129)
1,440	3,600	360	5,940
-	32,802	-	32,802
1,440	36,402	360	38,742
(1,014,750)	(103,361)	(49,333)	(986,387)
-	-	-	35,253
(1,014,750)	(103,361)	(49,333)	(951,134)
2,940,548	10,083,247	589,419	14,308,173
\$ 1,925,798	\$ 9,979,886	\$ 540,086	\$ 13,357,039

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds
Year Ended December 31, 2011

	<u>Computer Replacement</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 231,921
Payment to Suppliers	(42,296)
Payment to Employees	-
	<u>189,625</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>35,253</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	-
Purchase of Capital Assets	<u>(35,253)</u>
	<u>(35,253)</u>
Cash Flows from Investing Activities	
Interest Received	<u>540</u>
Net Change in Cash and Cash Equivalents	190,165
Cash and Cash Equivalents - Beginning	<u>668,376</u>
Cash and Cash Equivalents - Ending	<u>\$ 858,541</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 180,517
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation	9,525
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	<u>(417)</u>
Net Cash Provided by Operating Activities	<u>\$ 189,625</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 6,323,755	\$ 726,479	\$ 1,880,841	\$ 9,162,996
(6,648,407)	(81,741)	(1,066,478)	(7,838,922)
-	-	(924,963)	(924,963)
(324,652)	644,738	(110,600)	399,111
-	-	-	35,253
-	77,052	-	77,052
-	(187,535)	-	(222,788)
-	(110,483)	-	(145,736)
1,440	3,600	360	5,940
(323,212)	537,855	(110,240)	294,568
2,997,102	5,614,954	439,605	9,720,037
\$ 2,673,890	\$ 6,152,809	\$ 329,365	\$ 10,014,605
\$ (1,016,190)	\$ (139,763)	\$ (49,693)	\$ (1,025,129)
-	778,948	9,324	797,797
(12,957)	11,050	(22,336)	(24,243)
704,495	(5,497)	(47,895)	650,686
\$ (324,652)	\$ 644,738	\$ (110,600)	\$ 399,111

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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 231,921	\$ 231,921	\$ 231,921
Operating Expenses			
Administration			
Capital Outlay	194,950	194,950	41,879
Depreciation	-	-	9,525
Total Operating Expenses	194,950	194,950	51,404
Operating Income	36,971	36,971	180,517
Nonoperating Revenues			
Interest Income	5,000	500	540
Income Before Transfers	41,971	37,471	181,057
Transfers In	-	-	35,253
Change in Net Assets	\$ 41,971	\$ 37,471	216,310
Net Assets - Beginning, as Restated			694,959
Net Assets - Ending			\$ 911,269

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Computer Replacement - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Administration			
Capital Outlay	\$ 194,950	\$ 194,950	\$ 41,879
Total Administration	194,950	194,950	41,879
Depreciation	-	-	9,525
Total Operating Expenses	\$ 194,950	\$ 194,950	\$ 51,404

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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,206,224	\$ 5,214,024	\$ 5,243,679
Contributions	1,321,500	1,321,500	1,087,496
Miscellaneous	11,000	11,000	5,537
Total Operating Revenues	<u>6,538,724</u>	<u>6,546,524</u>	<u>6,336,712</u>
Operating Expenses			
Administration	335,289	335,289	321,458
Insurance and Claims	<u>6,463,554</u>	<u>6,553,554</u>	<u>7,031,444</u>
Total Operating Expenses	<u>6,798,843</u>	<u>6,888,843</u>	<u>7,352,902</u>
Operating Income (Loss)	(260,119)	(342,319)	(1,016,190)
Nonoperating Revenues			
Interest Income	<u>5,000</u>	<u>5,000</u>	<u>1,440</u>
Change in Net Assets	<u>\$ (255,119)</u>	<u>\$ (337,319)</u>	(1,014,750)
Net Assets - Beginning			<u>2,940,548</u>
Net Assets - Ending			<u>\$ 1,925,798</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund	\$ 3,842,222	\$ 4,385,657	\$ 4,385,657
Refuse Disposal Fund	69,542	25,175	25,175
Community Development Block Grant Fund	13,998	-	-
Water and Sewer Fund	326,604	116,333	116,333
Parking System Revenue Fund	121,424	1,011	1,011
Village Parking System Fund	6,528	755	755
Vehicle Maintenance Fund	157,691	16,878	16,878
Library	668,215	668,215	697,870
Total Charges for Services	5,206,224	5,214,024	5,243,679
Contributions			
Employee			
Health Insurance	545,000	545,000	480,644
Additional Life Insurance	6,000	6,000	6,500
Retiree			
Health Insurance	770,500	770,500	600,352
Total Contributions	1,321,500	1,321,500	1,087,496
Miscellaneous - Other Reimbursements	11,000	11,000	5,537
Total Operating Revenues	\$ 6,538,724	\$ 6,546,524	\$ 6,336,712

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Administration			
Casualty and Property Program			
Claims Administration	\$ 24,200	\$ 24,200	\$ 23,909
Other Contractual Services	2,000	2,000	1,293
	<u>26,200</u>	<u>26,200</u>	<u>25,202</u>
Medical Program			
Claims Administration	309,089	309,089	296,256
Total Administration	<u>335,289</u>	<u>335,289</u>	<u>321,458</u>
Insurance and Claims			
Casualty and Property Program			
Property Insurance	84,000	84,000	90,000
HELP Excess Liability Insurance	79,000	79,000	75,540
Workers' Compensation Insurance	54,000	54,000	57,677
Faithful Performance Insurance	2,500	2,500	2,423
Surety Bonds	2,000	2,000	1,950
Other Insurance	3,000	3,000	2,838
Property Claims	1,000	1,000	-
Liability Claims	100,000	100,000	111,735
Workers' Compensation Claims	470,000	470,000	1,127,288
Auto Claims	20,000	20,000	13,751
Village Property Claims	40,000	40,000	16,510
Unemployment Compensation Claims	10,000	100,000	104,610
Tree Hazard Study	11,500	11,500	8,592
Other Claims	2,000	2,000	2,602
	<u>879,000</u>	<u>969,000</u>	<u>1,615,516</u>
Medical Program			
Medical Expense - HMO Plan	1,707,306	1,707,306	1,706,383
Medical Expense - Indemnity Plan	3,854,048	3,854,048	3,682,676
Other Medical Claims	5,000	5,000	3,570
Life Insurance	18,200	18,200	23,299
	<u>5,584,554</u>	<u>5,584,554</u>	<u>5,415,928</u>
Total Insurance and Claims	<u>6,463,554</u>	<u>6,553,554</u>	<u>7,031,444</u>
Total Operating Expenses	<u>\$ 6,798,843</u>	<u>\$ 6,888,843</u>	<u>\$ 7,352,902</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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 723,600	\$ 723,600	\$ 715,429
Operating Expenses			
Administration	613,650	670,650	76,244
Depreciation	-	-	778,948
Total Operating Expenses	613,650	670,650	855,192
Operating Income (Loss)	109,950	52,950	(139,763)
Nonoperating Revenues			
Interest Income	10,000	4,000	3,600
Disposal of Capital Assets	50,000	78,000	32,802
	60,000	82,000	36,402
Change in Net Assets	\$ 169,950	\$ 134,950	(103,361)
Net Assets - Beginning, as Restated			10,083,247
Net Assets - Ending			\$ 9,979,886

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund			
Mayor and Board	\$ 1,500	\$ 1,500	\$ 1,500
Manager's Office	2,300	2,300	2,300
Television Services Division	1,500	1,500	1,500
Community Development - Planning	1,500	1,500	1,500
Community Development - Building	5,700	5,700	5,700
Community Development - Housing	10,400	10,400	10,400
Community Development - Health	1,500	1,500	1,500
Human Services Department	400	400	400
Police Department	174,300	174,300	174,300
Fire Department	157,800	157,800	157,800
Public Works Department	189,300	189,300	189,300
Engineering Division	11,100	11,100	11,100
Water and Sewer Fund	126,900	126,900	126,900
Parking System Fund	5,360	5,360	5,360
Village Parking Fund	8,040	8,040	8,040
Other Fees	26,000	26,000	17,829
Total Operating Revenues	<u>\$ 723,600</u>	<u>\$ 723,600</u>	<u>\$ 715,429</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Administration			
Capital Outlay	\$ 613,650	\$ 670,650	\$ 263,779
Less Capital Assets Capitalized	-	-	(187,535)
Total Administration	613,650	670,650	76,244
Depreciation	-	-	778,948
Total Operating Expenses	\$ 613,650	\$ 670,650	\$ 855,192

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, 2011**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,902,802	\$ 1,902,802	\$ 1,902,802
Miscellaneous Income	-	-	375
Total Operating Revenues	<u>1,902,802</u>	<u>1,902,802</u>	<u>1,903,177</u>
Operating Expenses			
Administration and Maintenance	1,903,802	1,903,802	1,943,546
Depreciation	-	-	9,324
Total Operating Expenses	<u>1,903,802</u>	<u>1,903,802</u>	<u>1,952,870</u>
Operating Income (Loss)	(1,000)	(1,000)	(49,693)
Nonoperating Revenues			
Interest Income	<u>1,000</u>	<u>1,000</u>	<u>360</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	(49,333)
Net Assets - Beginning, as Restated			<u>589,419</u>
Net Assets - Ending			<u>\$ 540,086</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2011**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund			
Mayor and Board	\$ 2,884	\$ 2,884	\$ 2,884
Manager's Office	2,884	2,884	2,884
Television Services Division	2,886	2,886	2,886
Community Development - Planning	2,884	2,884	2,884
Community Development - Building	12,021	12,021	12,021
Community Development - Housing	20,036	20,036	20,036
Community Development - Health	2,884	2,884	2,884
Human Services Department	2,885	2,885	2,885
Police Department	483,257	483,257	483,257
Fire Department	299,964	299,964	299,964
Public Works Department	587,762	587,762	587,762
Engineering Division	28,050	28,050	28,050
Water and Sewer Fund	445,749	445,749	445,749
Parking System Fund	4,328	4,328	4,328
Village Parking Fund	4,328	4,328	4,328
Total Charges for Services	1,902,802	1,902,802	1,902,802
Miscellaneous Income	-	-	375
Total Operating Revenue	\$ 1,902,802	\$ 1,902,802	\$ 1,903,177

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Vehicle Division Administration			
Personal Services	\$ 99,531	\$ 99,531	\$ 103,750
Employee Benefits	58,296	58,296	52,819
Other Employee Costs	2,315	2,315	2,315
Contractual Services	9,881	9,881	8,736
Utilities	993	993	654
Commodities and Supplies	1,572	1,572	1,560
Office Equipment	545	545	461
Total Vehicle Division Administration	173,133	173,133	170,295
Vehicle Maintenance Program			
Personal Services	762,371	762,371	802,843
Employee Benefits	274,438	274,438	284,794
Contractual Services	88,583	81,183	81,860
Commodities and Supplies	601,777	609,177	600,699
Other Equipment	3,500	3,500	3,055
Total Vehicle Maintenance Program	1,730,669	1,730,669	1,773,251
Total Administration and Maintenance	1,903,802	1,903,802	1,943,546
Depreciation	-	-	9,324
Total Operating Expenses	\$ 1,903,802	\$ 1,903,802	\$ 1,952,870

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 FUNDS

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.

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, 2011

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 2,711,649	\$ 3,846,661	\$ 6,558,310
Investments			
State and Local Obligations	2,495,375	1,162,913	3,658,288
U.S. Government and Agency Obligations	20,076,475	18,740,820	38,817,295
Mutual Funds	19,594,331	20,040,996	39,635,327
Accrued Interest Receivable	165,110	139,910	305,020
Miscellaneous Receivable	445	-	445
Prepays	2,113	1,812	3,925
Due from Other Funds	45,859	38,390	84,249
Total Assets	45,091,357	43,971,502	89,062,859
LIABILITIES			
Accounts Payable	314,210	106,525	420,735
NET ASSETS			
Held in Trust for Pension Benefits	\$ 44,777,147	\$ 43,864,977	\$ 88,642,124

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets
Year Ended December 31, 2011

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 2,605,721	\$ 2,251,449	\$ 4,857,170
Contributions - Plan Members	776,479	581,357	1,357,836
Total Contributions	3,382,200	2,832,806	6,215,006
Investment Income			
Interest Earned	1,792,804	1,373,219	3,166,023
Net Change in Fair Value	(1,196,618)	(535,221)	(1,731,839)
	596,186	837,998	1,434,184
Less Investment Expenses	(88,482)	(90,275)	(178,757)
Net Investment Income	507,704	747,723	1,255,427
Total Additions	3,889,904	3,580,529	7,470,433
Deductions			
Administration	37,048	29,641	66,689
Benefits and Refunds	3,616,020	3,546,890	7,162,910
Total Deductions	3,653,068	3,576,531	7,229,599
Change in Net Assets	236,836	3,998	240,834
Net Assets - Beginning	44,540,311	43,860,979	88,401,290
Net Assets - Ending	\$ 44,777,147	\$ 43,864,977	\$ 88,642,124

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2011

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,380,500	\$ 2,380,500	\$ 2,605,721
Contributions - Plan Members	735,000	735,000	776,479
Total Contributions	<u>3,115,500</u>	<u>3,115,500</u>	<u>3,382,200</u>
Investment Income			
Interest Earned	1,337,000	1,337,000	1,792,804
Net Change in Fair Value	1,300,000	1,300,000	(1,196,618)
	<u>2,637,000</u>	<u>2,637,000</u>	<u>596,186</u>
Less Investment Expenses	(90,000)	(90,000)	(88,482)
Net Investment Income	<u>2,547,000</u>	<u>2,547,000</u>	<u>507,704</u>
Total Additions	<u>5,662,500</u>	<u>5,662,500</u>	<u>3,889,904</u>
Deductions			
Administration	56,000	56,000	37,048
Benefits and Refunds	3,431,110	3,507,610	3,616,020
Total Deductions	<u>3,487,110</u>	<u>3,563,610</u>	<u>3,653,068</u>
Change in Net Assets	<u>\$ 2,175,390</u>	<u>\$ 2,098,890</u>	236,836
Net Assets - Beginning			<u>44,540,311</u>
Net Assets - Ending			<u>\$ 44,777,147</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, 2011

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,083,300	\$ 2,083,300	\$ 2,251,449
Contributions - Plan Members	612,000	612,000	581,357
Total Contributions	<u>2,695,300</u>	<u>2,695,300</u>	<u>2,832,806</u>
Investment Income			
Interest Earned	1,357,500	1,357,500	1,373,219
Net Change in Fair Value	1,187,000	1,187,000	(535,221)
	<u>2,544,500</u>	<u>2,544,500</u>	<u>837,998</u>
Less Investment Expenses	(98,000)	(98,000)	(90,275)
Net Investment Income	<u>2,446,500</u>	<u>2,446,500</u>	<u>747,723</u>
Total Additions	<u>5,141,800</u>	<u>5,141,800</u>	<u>3,580,529</u>
Deductions			
Administration	59,000	59,000	29,641
Benefits and Refunds	3,112,073	3,331,073	3,546,890
Total Deductions	<u>3,171,073</u>	<u>3,390,073</u>	<u>3,576,531</u>
Change in Net Assets	<u>\$ 1,970,727</u>	<u>\$ 1,751,727</u>	3,998
Net Assets - Beginning			<u>43,860,979</u>
Net Assets - Ending			<u>\$ 43,864,977</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

Combining Statement of Changes in Assets and Liabilities
December 31, 2011

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 1,226,743	\$ 2,902,516	\$ 2,940,207	\$ 1,189,052
Other Receivables	11,914	8,005	19,919	-
Due from Other Funds	117,871	19,662	137,533	-
Total Assets	\$ 1,356,528	\$ 2,930,183	\$ 3,097,659	\$ 1,189,052
LIABILITIES				
Deposits Payable	\$ 1,313,853	\$ 1,103,432	\$ 1,268,907	\$ 1,148,378
Due to Other Funds	40,000	5,521	5,521	40,000
Other Liabilities	2,580	372,615	374,695	500
Due to Library	95	1,620,439	1,620,360	174
Total Liabilities	\$ 1,356,528	\$ 3,102,007	\$ 3,269,483	\$ 1,189,052
Escrow Deposit Fund				
ASSETS				
Cash and Investments	\$ 1,162,775	\$ 790,169	\$ 839,041	\$ 1,113,903
Other Receivables	11,914	8,005	19,919	-
Due from Other Funds	117,871	19,662	137,533	-
Total Assets	1,292,560	817,836	996,493	1,113,903
LIABILITIES				
Deposits Payable	\$ 1,290,280	\$ 723,091	\$ 899,968	\$ 1,113,403
Other Liabilities	2,280	371,815	373,595	500
Total Liabilities	\$ 1,292,560	\$ 1,094,906	\$ 1,273,563	\$ 1,113,903

	Beginning Balances	Additions	Deductions	Ending Balances
Flexcomp Escrow Fund				
ASSETS				
Cash and Investments	\$ 63,573	\$ 490,981	\$ 479,579	\$ 74,975
LIABILITIES				
Deposits Payable	\$ 23,573	\$ 380,341	\$ 368,939	\$ 34,975
Due to Other Funds	40,000	5,521	5,521	40,000
Total Liabilities	\$ 63,573	\$ 385,862	\$ 374,460	\$ 74,975
Library Bonds Escrow Fund				
ASSETS				
Cash and Investments	\$ 395	\$ 1,621,366	\$ 1,621,587	\$ 174
LIABILITIES				
Other Liabilities	\$ 300	\$ 800	\$ 1,100	\$ -
Due to Library	95	1,620,439	1,620,360	174
Total Liabilities	\$ 395	\$ 1,621,239	\$ 1,621,460	\$ 174

SUPPLEMENTAL SCHEDULES

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable by Governmental Funds
December 31, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of General Long-Term Debt

Long-Term Debt Payable by Governmental Funds
December 31, 2011

	General Obligation Bonds of 2003	General Obligation Bonds of 2009	General Obligation Refunding Bonds of 2009B	Taxable General Obligation Bonds of 2009C
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AMOUNTS TO BE PROVIDED FOR THE
RETIREMENT OF GENERAL LONG-
TERM DEBT

\$ 2,885,000	\$ 9,800,000	\$ 3,200,000	\$ 2,650,000
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GENERAL LONG-TERM DEBT PAYABLE

General Obligation Bonds Payable	\$ 2,885,000	\$ 9,800,000	\$ 3,200,000	\$ 2,650,000
IEPA Flood Loan Contracts Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Net Other Post-Employment Benefits Obligation	-	-	-	-
Net Pension Obligation	-	-	-	-
	<u>\$ 2,885,000</u>	<u>\$ 9,800,000</u>	<u>\$ 3,200,000</u>	<u>\$ 2,650,000</u>

General Obligation Refunding Bonds of 2011B	IEPA Flood Loans	Net Pension Obligation	Net Other Post- Employment Benefits Obligation	Compensated Absences	Totals
\$ 5,095,000	\$ 2,256,555	\$ 643,145	\$ 445,766	\$ 3,319,221	\$ 25,199,687
\$ 5,095,000	\$ -	\$ -	\$ -	\$ -	\$ 18,535,000
-	2,256,555	-	-	-	2,256,555
-	-	-	-	3,319,221	3,319,221
-	-	-	445,766	-	445,766
-	-	643,145	-	-	643,145
\$ 5,095,000	\$ 2,256,555	\$ 643,145	\$ 445,766	\$ 3,319,221	\$ 25,199,687

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2003
December 31, 2011**

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
2011	0886-0999	\$ 570,000	\$ 137,038	\$ 707,038	2012	\$ 68,519	2012	\$ 68,519
2012	1000-1118	595,000	109,963	704,963	2013	54,981	2013	54,982
2013	1119-1241	-	81,700	81,700	2014	40,850	2014	40,850
2014	1242-1370	-	81,700	81,700	2015	40,850	2015	40,850
2015	1371-1504	-	81,700	81,700	2016	40,850	2016	40,850
2016	1505-1644	-	81,700	81,700	2017	40,850	2017	40,850
2017	1645-1790	-	81,700	81,700	2018	40,850	2018	40,850
2018	1791-1943	-	81,700	81,700	2019	40,850	2019	40,850
2019	1944-2103	-	81,700	81,700	2020	40,850	2020	40,850
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>\$ 2,885,000</u>	<u>\$ 942,401</u>	<u>\$ 3,827,401</u>		<u>\$ 471,200</u>		<u>\$ 471,201</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2009

December 31, 2011

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
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>\$ 6,197,526</u>	<u>\$ 15,997,526</u>	<u>\$ 3,098,763</u>		<u>\$ 3,098,763</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2009B
December 31, 2011**

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
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>\$ 3,200,000</u>	<u>\$ 621,825</u>	<u>\$ 3,821,825</u>		<u>\$ 310,909</u>		<u>\$ 310,916</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Taxable General Obligation Bonds of 2009C
December 31, 2011**

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
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>\$ 1,812,270</u>	<u>\$ 4,462,270</u>	<u>\$ 906,136</u>		<u>\$ 906,134</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011B
December 31, 2011**

Date of Issue	July 29, 2011
Date of Maturity	December 1, 2020
Authorized Issue	\$5,160,000
Denomination of Bonds	\$5,000
Interest Rate	2.52%
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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2012	\$ 40,000	\$ 128,394	\$ 168,394	2012	\$ 64,197	2012	\$ 64,197
2013	40,000	127,386	167,386	2013	63,693	2013	63,693
2014	660,000	126,378	786,378	2014	63,189	2014	63,189
2015	680,000	109,746	789,746	2015	54,873	2015	54,873
2016	695,000	92,610	787,610	2016	46,305	2016	46,305
2017	715,000	75,096	790,096	2017	37,548	2017	37,548
2018	735,000	57,078	792,078	2018	28,539	2018	28,539
2019	755,000	38,556	793,556	2019	19,278	2019	19,278
2020	775,000	19,530	794,530	2020	9,765	2020	9,765
	<u>\$ 5,095,000</u>	<u>\$ 774,774</u>	<u>\$ 5,869,774</u>		<u>\$ 387,387</u>		<u>\$ 387,387</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

IEPA Flood Loan (L17-0856) Contract Payable of 1994
December 31, 2011

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
2012	36-37	\$ 37,065	\$ 2,223	\$ 39,288
2013	38-39	38,320	970	39,290
		<u>\$ 75,385</u>	<u>\$ 3,193</u>	<u>\$ 78,578</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0744) Contract Payable of 1994
December 31, 2011**

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
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>\$ 610,170</u>	<u>\$ 31,095</u>	<u>\$ 641,265</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0857) Contract Payable of 1994
December 31, 2011**

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
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>\$ 340,599</u>	<u>\$ 20,307</u>	<u>\$ 360,906</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0855) Contract Payable of 1997
December 31, 2011**

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
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>\$ 441,917</u>	<u>\$ 42,595</u>	<u>\$ 484,512</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-1087) Contract Payable of 1999
December 31, 2011**

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
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>\$ 788,485</u>	<u>\$ 85,310</u>	<u>\$ 873,795</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Insurance in Force
December 31, 2011**

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	\$ 75,933,700	\$ None	01/01/12
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	08/01/12
Fiduciary Liability - Fire Pension	25,000	5,000,000	5,000,000	08/01/12
Safety National Insurance Company				
Workers' Compensation	500,000	Statutory	1,000,000	01/01/12
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	05/01/12
Depositors Forgery	1,000	100,000	None	05/01/12
Public Officials Bond - President	None	100,000	100,000	05/01/12
Public Officials Bond - Manager	None	100,000	100,000	05/01/12
Public Officials Bond - Village Treasurer	None	250,000	250,000	05/01/12
Chubb				
Contingent Tax Interruption	25,000	9,000,000	9,000,000	01/01/12
Intergovernmental Personal Benefit Cooperative				
Employee & Retiree Health Insurance	30,000/75,000	None	None	06/30/14
CCMSI				
Workers' Comp. Claims Administration	N/A	N/A	N/A	N/A
Gallagher Bassett				
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 Eight Fiscal Years
Year Ended December 31, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Net Assets by Component - Last Eight Fiscal Years
Year Ended December 31, 2011**

	2004	2005	2006
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 25,864,656	\$ 23,851,038	\$ 24,671,547
Restricted	4,644,869	4,828,517	4,197,018
Unrestricted	5,629,961	13,689,604	18,553,994
Total Governmental Activities Net Assets	<u>\$ 36,139,486</u>	<u>\$ 42,369,159</u>	<u>\$ 47,422,559</u>
Business-Type Activities			
Invested in Capital Assets, Net of Related Debt	\$ 17,471,099	\$ 17,846,548	\$ 18,321,345
Unrestricted	6,261,987	5,808,766	6,172,718
Total Business-Type Activities Net Assets	<u>\$ 23,733,086</u>	<u>\$ 23,655,314</u>	<u>\$ 24,494,063</u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	\$ 43,335,755	\$ 41,697,586	\$ 42,992,892
Restricted	4,644,869	4,828,517	4,197,018
Unrestricted	11,891,948	19,498,370	24,726,712
Total Primary Government Net Assets	<u>\$ 59,872,572</u>	<u>\$ 66,024,473</u>	<u>\$ 71,916,622</u>

Data Source: Audited Financial Statements

The Village implemented GASB 34 in Fiscal Year 2004.

2007	2008	2009	2010	2011
\$ 26,114,472	\$ 29,663,909	\$ 27,741,453	\$ 30,020,260	\$ 53,524,378
3,178,963	2,367,670	4,497,173	4,891,298	2,828,903
23,151,760	21,216,625	20,277,880	18,296,001	20,019,184
\$ 52,445,195	\$ 53,248,204	\$ 52,516,506	\$ 53,207,559	\$ 76,372,465
\$ 19,437,672	\$ 20,776,324	\$ 22,412,134	\$ 23,044,064	\$ 26,892,474
6,833,310	6,852,644	5,996,007	5,927,430	5,167,986
\$ 26,270,982	\$ 27,628,968	\$ 28,408,141	\$ 28,971,494	\$ 32,060,460
\$ 45,552,144	\$ 50,440,233	\$ 50,153,587	\$ 53,064,324	\$ 80,416,852
3,178,963	2,367,670	4,497,173	4,891,298	2,828,903
29,985,070	28,069,269	26,273,887	24,223,431	25,187,170
\$ 78,716,177	\$ 80,877,172	\$ 80,924,647	\$ 82,179,053	\$ 108,432,925

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years
Year Ended December 31, 2011

	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 6,992,107
Public Safety	21,314,705	21,660,877	23,336,436	24,565,640	26,646,855	27,172,360	27,303,165	27,276,948
Highways and Streets	11,357,935	9,364,421	10,888,397	11,512,271	13,540,232	12,101,419	12,924,872	18,141,803
Health	3,545,694	3,642,891	3,863,140	4,085,316	4,163,354	4,194,045	4,133,883	4,289,103
Welfare	1,518,387	1,465,197	1,344,516	1,759,776	1,744,504	2,316,995	2,039,805	1,902,841
Culture and Recreation	287,955	237,024	272,826	221,806	409,066	367,635	322,553	353,308
Interest on Long-Term Debt	1,409,929	1,350,049	1,360,081	728,640	837,127	1,047,961	1,146,789	1,329,499
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	60,285,609
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	10,444,247
Commuter Parking	292,580	369,825	409,041	259,434	263,394	233,701	284,607	327,224
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	10,771,471
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	\$ 71,057,080
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	\$ 6,343,828
Public Safety	1,864,447	2,029,632	2,096,875	2,658,824	2,242,952	1,580,052	1,486,144	1,545,333
Highways and Streets	158,101	135,151	176,019	231,468	169,615	237,786	135,641	108,865
Other Activities	261,470	280,083	288,914	305,467	320,488	65,933	70,964	32,040
Operating Grants and Contributions	2,472,301	556,072	513,703	594,223	1,800,781	1,084,589	640,167	1,108,104
Capital Grants and Contributions	66,138	1,894,095	2,106,688	2,812,836	764,283	406,734	443,278	65,905
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	9,204,075
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	9,081,731
Commuter Parking	161,617	205,215	207,085	210,036	269,400	218,735	210,324	219,040
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	9,300,771
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	\$ 18,504,846

	2004	2005	2006	2007	2008	2009	2010	2011
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)	\$ (51,081,534)
Business-Type Activities	(2,125,940)	(1,718,750)	(895,460)	(859)	(398,712)	(907,718)	(1,108,253)	(1,470,700)
Total Primary Government	\$ (40,192,793)	\$ (34,008,158)	\$ (37,138,325)	\$ (36,990,659)	\$ (44,078,934)	\$ (45,220,411)	\$ (46,472,565)	\$ (52,552,234)
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	\$ 17,942,394
Utility	-	-	-	-	-	4,519,175	4,589,221	4,624,678
Sales	11,502,755	11,871,553	12,720,614	12,773,695	14,862,634	4,061,202	4,392,753	4,673,134
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	1,976,997
Intergovernmental								
State Sales and Use	-	-	-	-	-	9,761,726	11,110,707	11,411,781
Income Taxes	-	-	-	-	-	4,573,162	4,428,176	4,328,196
Motor Fuel Taxes	-	-	-	-	-	1,466,759	1,698,798	1,641,064
Replacement Taxes	-	-	-	-	-	338,134	362,532	357,596
Charitable Games Tax	-	-	-	-	-	-	-	3,986
Investment Income	207,562	433,605	908,782	924,989	416,673	187,793	67,001	29,043
Miscellaneous	153,629	126,411	101,242	42,868	93,781	605,006	633,902	235,167
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	47,224,036
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	1,526,828
Sales Tax	-	-	-	-	92,154	82,882	89,942	107,576
Investment Income	61,017	107,068	217,235	262,430	159,150	26,646	1,653	836
Miscellaneous	(2,913)	-	-	-	-	56,761	75,267	73,858
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	1,709,098
Total Primary Government	\$ 36,823,411	\$ 40,160,059	\$ 42,667,411	\$ 43,779,367	\$ 46,239,929	\$ 45,267,886	\$ 47,726,971	\$ 48,933,134
Changes in Net Assets								
Governmental Activities	\$ (2,797,302)	\$ 6,229,673	\$ 4,690,337	\$ 5,022,636	\$ 803,009	\$ (731,698)	\$ 691,053	\$ (3,857,498)
Business-Type Activities	(572,080)	(77,772)	838,749	1,766,072	1,357,986	779,173	563,353	238,398
Total Primary Government	\$ (3,369,382)	\$ 6,151,901	\$ 5,529,086	\$ 6,788,708	\$ 2,160,995	\$ 47,475	\$ 1,254,406	\$ (3,619,100)

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
Year Ended December 31, 2011**

	2002	2003	2004	2005
General Fund				
Reserved	\$ 174,853	\$ 146,009	\$ 219,694	\$ 312,499
Unreserved	9,275,071	8,779,145	8,037,820	10,203,878
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ 9,449,924	\$ 8,925,154	\$ 8,257,514	\$ 10,516,377
All Other Governmental Funds				
Reserved	\$ 1,778,005	\$ 13,585,940	\$ 4,727,748	\$ 4,958,811
Unreserved, Reported in:				
Special Revenues Funds	3,920,313	1,968,264	1,744,656	1,556,490
Debt Service Funds	-	-	-	-
Capital Projects Funds	10,742,329	-	(1,357,855)	161,614
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ 16,440,647	\$ 15,554,204	\$ 5,114,549	\$ 6,676,915

The Village implemented GASB 54 in Fiscal Year 2011.

Data Source: Audited Financial Statements

2006	2007	2008	2009	2010	2011
\$ 73,529	\$ 40,910	\$ 228,750	\$ 88,492	\$ 53,536	\$ -
11,733,539	12,774,003	12,312,075	10,110,989	10,364,455	-
-	-	-	-	-	100,590
-	-	-	-	-	10,704,282
<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>	<u>\$ 10,804,872</u>
\$ 4,333,108	\$ 3,329,107	\$ 2,523,221	\$ 4,762,560	\$ 2,188,376	\$ -
1,844,687	2,028,077	2,043,378	1,674,387	2,148,898	-
-	-	(908,466)	(485,274)	(78,844)	-
1,447,070	2,315,134	303,492	1,965,761	2,459,761	-
-	-	-	-	-	147,130
-	-	-	-	-	2,828,903
-	-	-	-	-	3,564,914
-	-	-	-	-	(5,578)
<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>	<u>\$ 6,535,369</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
Year Ended December 31, 2011

	2002	2003	2004	2005
Revenues				
Taxes	\$ 18,493,096	\$ 19,693,126	\$ 22,722,306	\$ 24,897,774
Licenses, Permits and Fees	3,113,545	3,273,201	3,024,016	3,135,996
Intergovernmental	16,061,890	14,210,114	14,616,333	15,459,395
Charges for Services	1,671,156	1,724,014	1,748,460	1,710,556
Fines and Forfeits	521,289	595,170	554,741	581,439
Investment Income	715,905	385,214	207,562	433,605
Miscellaneous	854,805	1,094,763	758,805	822,285
Total Revenues	41,431,686	40,975,602	43,632,223	47,041,050
Expenditures				
General Government	3,571,104	3,922,921	4,346,454	4,463,740
Public Safety	18,251,730	19,129,091	20,940,441	21,677,185
Highways and Streets	6,941,764	6,762,888	7,459,168	7,265,128
Health	3,300,533	3,244,907	3,545,174	3,650,121
Welfare	1,713,306	1,368,295	1,516,610	1,482,943
Culture and Recreation	278,423	275,184	274,491	284,229
Miscellaneous	15,626	-	-	-
Capital Outlay	6,527,505	15,366,338	11,481,777	2,040,534
Debt Service				
Principal	4,050,925	4,269,326	4,468,949	3,205,838
Interest and Fiscal Charges	1,361,565	1,520,741	1,456,454	1,318,154
Total Expenditures	46,012,481	55,859,691	55,489,518	45,387,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,580,795)	(14,884,089)	(11,857,295)	1,653,178
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	6,197,421	12,235,000	705,000	-
Premium on Debt Issuance	-	-	-	-
Payment to Escrow Agent	(6,196,800)	-	-	-
Transfers In	1,865,928	1,096,677	794,938	989,519
Transfers Out	(1,865,928)	(1,096,677)	(794,938)	(989,519)
Disposal of Capital Assets	-	1,225,000	45,000	2,168,051
	621	13,460,000	750,000	2,168,051
Net Change in Fund Balances	\$ (4,580,174)	\$ (1,424,089)	\$ (11,107,295)	\$ 3,821,229
Debt Service as a Percentage of Noncapital Expenditures	13.71%	12.82%	12.02%	10.08%

Data Source: Audited Financial Statements

2006	2007	2008	2009	2010	2011
\$ 25,829,233	\$ 26,460,490	\$ 27,287,056	\$ 26,648,415	\$ 27,740,802	\$ 29,217,203
3,216,982	3,445,370	3,094,828	3,748,456	3,394,211	3,356,816
16,664,264	17,783,855	19,104,781	17,274,500	18,719,087	18,895,261
3,226,074	3,780,453	3,618,419	3,832,341	3,789,976	3,974,677
521,473	720,673	720,351	529,655	556,178	548,993
908,782	924,989	416,673	137,142	55,457	23,103
489,097	557,279	533,460	834,738	781,149	406,118
50,855,905	53,673,109	54,775,568	53,005,247	55,036,860	56,422,171
4,901,739	5,298,202	5,725,191	5,796,151	5,240,716	5,284,168
23,205,517	24,767,992	25,906,274	26,384,953	26,935,085	26,992,535
7,555,575	9,204,868	9,168,071	8,291,493	7,450,823	7,681,534
3,873,480	4,102,547	4,156,319	4,188,172	4,128,010	4,286,754
1,366,367	1,786,121	1,736,791	2,316,995	2,039,805	1,902,841
333,148	281,737	381,892	358,207	313,125	346,068
-	-	-	-	-	-
3,470,144	2,437,381	6,623,970	14,296,659	7,739,590	7,274,213
2,605,399	3,529,734	4,149,735	1,425,219	1,046,203	1,377,700
1,264,364	1,044,123	891,181	1,023,907	1,124,236	1,057,464
48,575,733	52,452,705	58,739,424	64,081,756	56,017,593	56,203,277
2,280,172	1,220,404	(3,963,856)	(11,076,509)	(980,733)	218,894
-	-	-	16,080,000	-	5,160,000
-	-	-	124,535	-	-
-	-	-	(3,513,925)	-	(5,139,582)
1,344,953	105	809,422	635,100	450,000	80,089
(1,386,484)	(165,211)	(833,242)	(635,100)	(450,000)	(115,342)
-	-	2,895	364	-	-
(41,531)	(165,106)	(20,925)	12,690,974	-	(14,835)
\$ 2,238,641	\$ 1,055,298	\$ (3,984,781)	\$ 1,614,465	\$ (980,733)	\$ 204,059
8.07%	8.78%	9.00%	4.55%	4.12%	4.35%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years
Year Ended December 31, 2011**

Tax Levy Year	Residential Property	Commercial Property
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
2010	N/A	N/A

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

N/A - Data not available at time of report issuance.

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
\$ 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%
N/A	N/A	1,834,680,507	0.829	5,504,041,521	33.333%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Levy Years
Year Ended December 31, 2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Tax Rates										
Corporate	0.459	0.448	0.480	0.444	0.457	0.469	0.416	0.393	0.399	0.377
Bonds and Interest	0.055	0.063	0.078	0.070	0.092	0.083	0.071	0.093	0.076	0.098
Garbage	0.198	0.169	0.173	0.154	0.122	0.126	0.110	0.090	0.089	0.098
Police Pension	0.059	0.065	0.070	0.065	0.081	0.085	0.077	0.078	0.102	0.137
Firefighters' Pension	0.065	0.068	0.073	0.068	0.075	0.083	0.076	0.078	0.088	0.119
Total Direct Tax Rate	0.837	0.813	0.874	0.801	0.827	0.846	0.750	0.732	0.754	0.829
Overlapping Rates										
Mount Prospect Library	0.352	0.435	0.487	0.475	0.466	0.482	0.439	0.441	0.450	0.519
County of Cook	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423
Consolidated Elections	0.032	-	0.029	-	0.014	-	0.012	-	0.021	-
Forest Preserve District	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051
Metropolitan Water Reclamation District	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274
Suburban TB Sanitarium	0.007	0.006	0.004	0.001	0.005	0.005	-	-	-	-
Township of Elk Grove	0.053	0.050	0.051	0.046	0.044	0.044	0.040	0.041	0.044	0.049
Township of Maine	0.079	0.076	0.079	0.071	0.070	0.073	0.065	0.064	0.067	0.075
Township of Wheeling	0.049	0.040	0.047	0.042	0.041	0.043	0.038	0.038	0.039	0.043
General Assistance Elk Grove	0.011	0.011	0.011	0.007	0.009	0.009	0.008	0.009	0.010	0.011
General Assistance Maine	0.015	0.015	0.016	0.015	0.015	0.016	0.015	0.015	0.016	0.018
General Assistance Wheeling	-	0.008	0.010	0.009	0.009	0.010	0.009	0.009	0.009	0.005
Road and Bridge Elk Grove	0.009	0.009	0.010	0.009	0.009	0.009	0.009	0.009	0.010	0.011
Road and Bridge Maine	0.039	0.038	0.040	0.036	0.036	0.038	0.034	0.033	0.034	0.038
Road and Bridge Wheeling	0.012	0.012	0.013	0.012	0.012	0.013	0.012	0.012	0.012	0.014
Northwest Mosquito Abatement District	0.010	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009
Arlington Heights High School #214	1.989	1.888	1.982	1.818	1.759	1.823	1.621	1.587	1.636	1.839
Community College District #512	0.308	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295
Arlington Heights Park District	0.484	0.458	0.516	0.466	0.453	0.461	0.404	0.379	0.392	0.450

Village of Mount Prospect										
Special Service Area #6	0.441	0.384	0.418	0.298	-	-	-	-	-	-
Special Service Area #5	0.148	0.137	0.141	0.125	0.117	0.118	0.101	0.096	0.095	0.105
School District #59	1.943	1.855	2.127	1.972	1.933	2.013	1.791	1.810	1.945	2.129
Mount Prospect Park District	0.502	0.473	0.498	0.455	0.459	0.474	0.411	0.407	0.411	0.453
School District #57	3.050	2.878	3.019	2.740	2.643	2.694	2.334	2.246	2.195	2.521
School District #25	3.730	3.527	3.653	3.156	3.225	3.295	2.890	2.807	2.510	2.813
River Trails Park District	0.524	0.485	0.517	0.484	0.480	0.484	0.428	0.422	0.433	0.510
School District #26	3.212	3.192	3.313	2.948	2.880	3.047	2.698	2.696	2.703	3.131
Prospect Heights Park District	0.692	0.656	0.730	0.662	0.640	0.658	0.561	0.544	0.523	0.595
School District #23	3.345	3.183	3.344	2.987	2.880	2.948	2.418	2.363	2.253	2.571
School District #21	2.886	3.266	3.575	3.262	3.394	3.502	3.154	3.161	3.209	3.658
Des Plaines Park District	0.408	0.422	0.444	0.427	0.350	0.356	0.312	0.300	0.317	0.338
Prospect Heights Old Town Sanitary	0.082	0.079	0.082	0.073	0.071	0.074	0.039	0.015	0.015	0.017
Elk Grove Rural Fire Protection District	0.655	0.626	0.660	0.722	0.841	1.039	0.895	0.971	1.032	1.055
Prospect Heights Rural Fire Protection District	0.510	0.567	0.819	0.731	0.767	0.795	0.693	0.677	0.652	0.755
High School District #207	2.026	1.936	2.012	1.795	1.757	1.826	1.602	1.577	1.617	1.782
Community College District #535	0.186	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140	0.160
School District #62	2.225	2.148	2.228	2.475	2.501	2.627	2.350	2.329	2.492	2.741

Total Tax Rate for Property Located in the Village of Mount Prospect, Elk Grove Township and School District #59	7.383	7.103	7.584	6.997	6.840	6.961	6.212	6.114	6.346	6.997
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Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	11.3%	11.4%	11.5%	11.4%	12.1%	12.2%	12.1%	12.0%	11.9%	11.8%
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Total Tax Rate for Property Located in the Village of Mount Prospect, Wheeling Township and School District #26	8.662	8.442	8.768	7.974	7.787	7.999	7.121	7.000	7.100	7.990
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Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	9.7%	9.6%	10.0%	10.0%	10.6%	10.6%	10.5%	10.5%	10.6%	10.4%
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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
Year Ended December 31, 2011**

Taxpayer	2010 Levy			2001 Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
CRP Holdings	\$ 23,016,992	1	1.25%	\$		
Randhurst Shopping Center	20,637,049	2	1.12%			
Mount Prospect Plaza	20,179,124	3	1.10%			
Golf Plaza I & II	19,086,949	4	1.04%			
Home Properties Colony	18,602,803	5	1.01%	22,581,450	3	1.80%
First Industrial	12,682,076	6	0.69%	25,001,049	2	1.99%
Cumming-Allison Corp	10,815,315	7	0.59%			
Huntington Square	10,127,700	8	0.55%	8,065,863	10	0.64%
LIT Industrial Limited	9,913,217	9	0.54%			
KRCV Corp	9,091,678	10	0.50%			
Rouse Company				56,325,621	1	4.49%
Stomad Ctrs. Mt. Prospect				16,237,892	4	1.29%
James Campbell Estate				14,585,124	5	1.16%
Washington Capital				12,752,359	6	1.02%
Cabot Ind. Properties				9,451,399	7	0.75%
Franklin JOI Central				9,180,395	8	0.73%
Bayshore Management Co				8,310,695	9	0.66%
	<u>\$ 154,152,903</u>		<u>8.39%</u>	<u>\$ 182,491,847</u>		<u>14.53%</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
Year Ended December 31, 2011**

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
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%	226,599	13,875,015	99.00%
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%	332,837	15,188,921	99.96%
2011	2010	15,194,635	14,961,411	98.47%	-	14,961,411	98.47%

Data Source: Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Taxable Sales by Category - Last Ten Fiscal Years
Year Ended December 31, 2011**

Fiscal Year	2002	2003	2004	2005
General Merchandise	\$ 1,173,295	\$ 1,310,317	\$ 1,181,411	\$ 1,163,392
Food	896,492	918,773	849,930	901,597
Drinking and Eating Places	474,667	486,767	498,789	547,681
Apparel	173,459	169,613	156,900	124,284
Furniture and H.H. and Radio	296,467	286,666	283,729	230,378
Lumber, Building, Hardware	871,786	869,336	916,388	907,954
Automobile and Filling Stations	680,754	709,602	756,261	1,185,563
Drugs and Miscellaneous Retail	2,013,478	2,315,308	2,565,793	2,210,598
Agriculture and All Others	1,046,332	637,681	653,924	714,534
Manufacturers	121,414	127,213	101,044	115,036
Total	\$ 7,748,144	\$ 7,831,276	\$ 7,964,169	\$ 8,101,017
Number of Taxpayers	1,169	1,147	1,105	1,125
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

2006	2007	2008	2009	2010	2011
\$ 1,191,814	\$ 1,207,238	\$ 1,099,957	\$ 800,080	\$ 1,054,791	\$ 946,021
883,285	1,042,920	1,069,087	1,005,043	944,631	895,984
566,627	583,799	564,572	522,897	544,118	596,008
157,184	149,857	68,774	33,425	37,444	216,301
280,088	274,809	243,339	225,436	224,221	237,392
869,944	801,315	704,972	650,987	668,852	683,905
1,267,636	1,333,637	1,277,713	1,176,389	1,358,572	1,585,870
2,682,731	2,454,600	3,608,854	3,272,273	3,699,398	3,393,072
819,090	853,036	1,245,594	1,275,048	1,726,693	1,924,871
105,704	110,189	184,057	93,616	129,476	135,019
\$ 8,824,103	\$ 8,811,400	\$ 10,066,919	\$ 9,055,194	\$ 10,388,196	\$ 10,614,443
1,168	1,149	900	795	800	839
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
Year Ended December 31, 2011**

Fiscal Year	2002	2003	2004	2005
General Merchandise	\$ 533,611	\$ 595,103	\$ 789,838	\$ 778,634
Food	117,236	122,996	185,355	169,411
Drinking and Eating Places	234,326	240,779	368,000	405,729
Apparel	86,710	84,805	117,774	93,186
Furniture and H.H. and Radio	147,975	143,226	210,821	172,592
Lumber, Building, Hardware	434,913	433,528	683,934	678,295
Automobile and Filling Stations	108,449	115,982	217,502	420,491
Drugs and Miscellaneous Retail	242,579	232,887	373,206	407,301
Agriculture and All Others	506,482	303,692	517,294	524,602
Manufacturers	59,696	61,351	71,726	83,868
Total	\$ 2,471,977	\$ 2,334,349	\$ 3,535,450	\$ 3,734,109
Number of Taxpayers	1,169	1,147	1,105	1,125
Village Direct Sales Tax Rate	0.50%	0.50%	0.75%	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

2006	2007	2008	2009	2010	2011
\$ 793,949	\$ 811,505	\$ 967,261	\$ 693,008	\$ 811,120	\$ 749,509
160,335	197,945	261,398	248,128	266,766	254,207
420,844	434,613	558,908	519,177	539,414	592,596
117,804	112,251	68,267	33,424	37,442	153,487
209,656	205,312	240,192	223,116	220,694	232,711
649,820	598,495	701,258	646,990	665,409	680,356
464,579	494,408	640,842	596,221	697,383	891,042
387,350	381,387	413,511	407,587	484,085	432,639
592,983	621,576	819,975	647,829	632,050	659,611
76,697	80,093	180,157	89,263	126,598	131,640
\$ 3,874,017	\$ 3,937,585	\$ 4,851,769	\$ 4,104,744	\$ 4,480,961	\$ 4,777,798
1,168	1,149	900	795	800	839
0.75%	0.75%	1.75%	1.00%	1.00%	1.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
Year Ended December 31, 2011**

Fiscal Year	State Rate	County Rate	Regional Transportation Rate	Village Direct Rate	Home Rule Sales Tax Rate	Total Sales Tax Rate
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%
2011	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, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
Year Ended December 31, 2011**

Fiscal Year	Governmental Activities		
	General Obligation Bonds	Tax Increment Financing Bonds	IEPA Loan Payable (1)
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
2011	23,630,000	-	2,256,556

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	Total Primary Government	Percentage of Personal Income	Per Capita*
	General Obligation Bonds			
\$ -	\$ 283,300	\$ 26,597,960	1.79%	\$ 472.73
-	180,600	34,503,697	2.32%	613.24
-	79,600	29,924,660	2.01%	531.85
705,000	-	27,259,800	1.83%	484.49
705,000	-	24,575,911	1.65%	436.79
355,000	-	21,060,413	1.41%	374.31
-	-	16,910,678	1.14%	300.55
-	-	28,075,459	1.89%	498.99
-	-	27,029,256	1.82%	480.39
-	-	25,886,556	1.44%	477.90

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
Year Ended December 31, 2011**

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)
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	0.42%	440.24
2010	24,240,000	-	24,240,000	0.40%	430.82
2011	23,630,000	131,372	23,498,628	0.43%	433.82

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
Year Ended December 31, 2011

Governmental Unit	(1) Gross Debt	(2) Percentage Debt Applicable to Village	(3) Village's Share of Debt
Village of Mount Prospect	\$ 38,395,000 *	100.00%	\$ 38,395,000
County of Cook	3,499,615,000	1.078%	37,725,850
Forest Preserve District of Cook County	101,935,000	1.078%	1,098,859
Metropolitan Water Reclamation District	2,466,464,000	1.100%	27,131,104
Community College District #512	185,775,000	8.651%	16,071,395
School District #214	38,305,000	17.599%	6,741,297
School District #207	11,790,000	0.059%	6,956
School District #57	12,585,000	94.835%	11,934,985
School District #25	10,165,000	2.594%	263,680
School District #26	12,310,000	76.304%	9,393,022
School District #23	2,470,000	7.750%	191,425
School District #21	38,873,995	3.034%	1,179,437
School District #59	17,965,000	14.276%	2,564,683
Arlington Heights Park District	23,306,199	1.521%	354,487
Des Plaines Park District	7,270,000	1.642%	119,373
Mount Prospect Park District	7,160,000	61.599%	4,410,488
Prospect Heights Park District	520,690	15.162%	78,947
River Hills Park District	742,215	81.564%	605,380
	<u>6,437,252,099</u>		<u>119,871,368</u>
	<u>\$ 6,475,647,099</u>		<u>\$ 158,266,368</u>

* Includes \$14,765,000 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 2010 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 (2010) and Metropolitan Water Reclamation District of Greater Chicago (2010) and Office of the County Clerk for all other Government Units (2011)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Legal Debt Margin Year Ended December 31, 2011

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
Year Ended December 31, 2011**

Fiscal Year	(1) Population	(2) Equalized Assessed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
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	1,834,680,507	1,488,996,960	26,464	7.80%
2011	54,167	N/A	1,798,831,903	33,209	7.40%

Note: 2011 Equalized Assessed Valuation is unavailable until 2012.

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
Year Ended December 31, 2011**

Employer	2011			2002		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Caremark Rx, Inc.	800	1	1.48%	500	1	0.89%
Bosch Tools	576	2	1.06%			
MetLife	445	3	0.82%	273	4	0.49%
Cummins-Allison Corp.	435	4	0.80%	278	3	0.49%
Wal-Mart Stores, Inc.	330	5	0.61%			
Village of Mount Prospect	306	6	0.56%	304	2	0.54%
Rauland Borg	300	7	0.55%			
Mount Prospect S.D. 57	298	8	0.55%	230	6	0.41%
Township High S.D. 214	250	9	0.46%	240	5	0.43%
Siemens Building Technologies	235	10	0.43%			
Community Consolidated S.D. 59				197	7	0.35%
Output Technologies Inc.				185	8	0.33%
NTN Bearing Corporation				176	9	0.31%
Bank One				127	10	0.23%
	<u>3,975</u>		<u>7.32%</u>	<u>2,510</u>		<u>4.47%</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, 2011**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
Year Ended December 31, 2011

Function/Program	2002	2003	2004
Public Representation/Community and Civic Services	1.05	1.05	1.05
General Government			
Village Administration			
Administration	12.25	13.75	13.65
Finance	16.00	15.00	15.00
Total Village Administration	28.25	28.75	28.65
Community Development			
Community Development	21.80	21.30	20.90
Community Development/CDBG	0.80	0.80	1.20
Total Community Development	22.60	22.10	22.10
Human Services Department	8.70	8.70	8.70
Public Safety and Protection			
Police Department	104.50	105.50	105.50
Fire Department	80.70	80.70	80.70
Total Public Safety and Protection	185.20	186.20	186.20
Public Works Department			
Administration	3.40	3.40	3.35
Streets/Buildings/Parking	17.10	16.10	14.60
Forestry	11.80	11.80	11.80
Engineering	8.90	7.90	7.90
Water/Sewer	24.80	25.80	25.75
Refuse Disposal	1.40	1.40	2.90
Parking	-	-	-
Vehicle Maintenance	9.10	9.10	9.10
Total Public Works Department	76.50	75.50	75.40
Village Total	322.30	322.30	322.10

Data Source: Village Budget

2005	2006	2007	2008	2009	2010	2011
1.05	1.05	1.05	1.05	1.05	1.05	2.10
15.15	15.45	16.45	16.95	16.95	14.95	14.95
15.00	15.00	15.00	15.00	15.00	13.00	13.00
30.15	30.45	31.45	31.95	31.95	27.95	27.95
20.90	20.90	22.90	23.40	23.15	20.48	20.48
1.20	1.20	1.20	1.20	1.20	1.25	1.25
22.10	22.10	24.10	24.60	24.35	21.73	21.73
7.60	7.60	7.60	7.60	10.60	9.50	9.50
105.50	110.50	111.50	111.50	111.50	97.83	97.83
80.70	83.90	84.20	84.20	82.20	74.75	74.75
186.20	194.40	195.70	195.70	193.70	172.58	172.58
3.35	3.35	3.35	3.35	3.35	2.85	2.85
14.60	14.60	14.80	14.60	14.80	11.35	11.85
10.80	10.80	10.80	10.80	10.80	10.70	9.75
7.90	8.30	8.30	8.30	8.30	8.00	8.00
25.75	25.55	26.15	26.15	26.15	26.50	25.00
2.90	2.90	2.90	2.90	2.90	2.90	2.90
-	-	-	-	-	-	0.90
9.10	8.90	8.90	9.10	10.90	10.90	10.90
74.40	74.40	75.20	75.20	77.20	73.20	72.15
321.50	330.00	335.10	336.10	338.85	306.01	306.01

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
Year Ended December 31, 2011**

Function/Program	2002	2003	2004
Finance Department			
Vehicle Stickers Issued	38,916	38,940	38,969
Utility Bills	77,000	81,865	86,429
Real Estate Transfer Tax Stamps Sold	1,678	1,774	1,774
Community Development			
Building Division			
Permits Issued	3,122	3,427	3,429
Plan Reviews	259	387	473
Building Code Inspections	13,825	12,839	13,364
Environmental Health Division			
Food Service Inspections	414	422	404
Multi-Family Buildings Inspections	664	652	654
Swimming Pools/Spa Inspections	30	28	30
Public Safety			
Police			
Number of Crimes	6,100	5,774	4,548
Number of Service Calls	35,442	40,507	43,656
Number of Arrests	2,009	2,226	2,032
Moving Violations	6,463	9,070	7,947
Parking Citations	10,588	7,913	6,799
Fire			
Fire Calls	1,941	1,837	1,882
EMS Calls	3,160	3,412	3,229
Fire Prevention Inspections	2,900	2,838	2,305
Training Hours	23,417	23,847	25,180
Public Works			
Streets			
Street Reconstruction (Miles)	-	-	-
Street Resurfacing (Miles)	8.00	8.00	9.00
Crack Filling (Pounds)	51,057	50,490	56,520
Leaves Removed (Cubic Yards)	20,802	19,500	18,096
Water			
Water Mains Installed (Lineal Feet)	44	4,500	1,150
Water Purchased (1,000 Gallons)	1,539,074	1,550,000	1,491,000
Sanitary Sewers Cleaned (Feet)	37,165	45,000	45,000
Refuse (Single/Multi-Family)			
Solid Waste Collected (Tons)	37,881	37,978	37,465
Recycling (Tons)	7,224	7,009	6,685

*2011 are estimated amounts. Final figures are not available at time of printing report.

Data Source: Village Records

2005	2006	2007	2008	2009	2010	2011*
38,425	38,973	38,851	39,208	39,650	40,018	38,987
85,894	100,846	97,677	86,577	86,458	86,067	85,883
1,903	1,624	1,249	947	986	1,086	1,007
3,217	2,866	2,801	2,687	2,415	2,922	2,550
744	787	553	452	420	505	515
14,364	9,590	8,438	7,631	8,564	8,783	9,000
364	400	392	340	394	400	390
414	583	476	279	491	664	583
6	33	62	59	28	-	-
3,834	3,247	4,295	4,242	3,921	3,696	3,500
30,387	25,443	26,694	25,631	23,600	22,028	23,000
1,740	1,855	1,928	1,769	1,736	1,898	1,940
7,383	6,522	7,985	8,723	10,355	10,139	7,500
8,194	7,641	9,438	10,690	10,256	11,317	10,500
1,837	1,647	2,273	2,019	1,817	1,888	2,100
3,443	3,679	3,518	3,487	3,535	3,465	3,795
2,692	4,388	3,652	3,264	4,258	3,790	3,500
22,397	21,865	22,837	21,073	23,851	24,313	19,800
-	-	-	-	-	-	-
5.00	9.00	7.00	5.00	5.80	5.00	4.90
58,700	47,390	57,660	55,000	57,118	46,846	55,000
16,897	14,302	15,187	16,272	18,970	15,424	18,000
3,250	3,000	3,200	8,079	5,475	5,475	1,500
1,491,251	1,501,699	1,440,716	1,369,479	1,346,272	1,296,556	1,250,000
45,000	70,000	70,000	30,000	55,150	55,150	45,000
33,019	32,188	32,928	32,101	30,231	31,963	32,006
7,348	6,890	6,728	6,644	6,154	6,117	6,806

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
Year Ended December 31, 2011**

Function/Program	2002	2003	2004
Public Safety			
Police			
Stations	1	1	1
Patrol Vehicles	38	34	36
Fire			
Fire Stations	3	3	3
Fire Engines/Vehicles	24	28	25
Public Works			
Residential Streets (Miles)	134	134	134
Water			
Water Mains (Miles)	158	158	163
Fire Hydrants	2,141	2,200	2,230
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

2005	2006	2007	2008	2009	2010	2011
1	1	1	1	1	1	1
38	39	35	35	34	34	34
3	3	3	3	3	3	3
23	22	22	22	22	22	22
134	134	134	134	134	134	134
163	164	166	166	166	162	162
2,200	2,309	2,328	2,328	2,328	2,295	2,291
8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
93	93	93	93	93	71	71
123	123	123	124	124	128	128
59	59	59	59	59	54	54

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

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2011	As Per Cent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2010	\$ 1,883,395,630 ⁽³⁾	100.00%	33.33%	\$ 34,770.17
Estimated True Value of Taxable Real Property, 2010	5,650,186,890	300.00%	100.00%	104,310.50
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 38,395,000	2.04%	0.68%	\$ 708.83
Self-Supporting Debt	-	0.00%	0.00%	-
Total Direct Bonded Debt	\$ 38,395,000	2.04%	0.68%	\$ 708.83
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 48,701,367	2.59%	0.86%	\$ 899.10
Other Than Schools	62,921,935	3.34%	1.11%	1,161.63
Total Overlapping Bonded Debt	\$ 119,871,368	6.36%	2.12%	\$ 2,213.00
Total Direct and Overlapping Bonded Debt	\$ 158,266,368	8.40%	2.80%	\$ 2,921.82
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 158,266,368	8.40%	2.80%	\$ 2,921.82

- 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, 2011".
3. The Village's 2010 equalized assessed valuation includes \$48,715,123 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, 2011)**

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		
2012	1,965,000	1,965,000	5.1%	2011	3,383,679
2013	2,035,000	2,035,000	10.4%	2012	3,372,310
2014	2,120,000	2,120,000	15.9%	2013	3,400,467
2015	2,180,000	2,180,000	21.6%	2014	3,414,688
2016	2,345,000	2,345,000	27.7%	2015	3,532,274
2017	2,470,000	2,470,000	34.2%	2016	3,594,442
2018	2,570,000	2,570,000	40.9%	2017	3,611,276
2019	2,680,000	2,680,000	47.8%	2018	3,631,939
2020	2,800,000	2,800,000	55.1%	2019	3,657,016
2021	2,955,000	2,955,000	62.8%	2020	3,711,406
2022	3,035,000	3,035,000	70.7%	2021	3,665,918
2023	1,475,000	1,475,000	74.6%	2022	1,971,763
2024	1,560,000	1,560,000	78.6%	2023	1,993,363
2025	1,650,000	1,650,000	82.9%	2024	2,020,963
2026	1,750,000	1,750,000	87.5%	2025	2,051,663
2027	1,850,000	1,850,000	92.3%	2026	2,076,413
2028	1,955,000	1,955,000	97.4%	2027	2,100,475
2029	1,000,000	1,000,000	100.0%	2028	1,057,500
	<u>\$ 38,395,000</u>	<u>\$ 38,395,000</u>			

- 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 \$2,256,555 as of December 31, 2011. 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, the Series 2009, 2009B and 2009C Bonds and the Series 2011A Library Refunding and 2011B Village Refunding 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 (\$14,765,000) on the Library 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						
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
July 29, 2011	4,100,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82
July 29, 2011	5,160,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82

- 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, 56,265 in 2001-2009, and 54,167 beginning in 2010.

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
	2005	1,594,975,722	34,455,000	1,629,430,722
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%
2010	1,834,680,507	48,715,123	1,883,395,630	(8.8%)

- 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 2010.
 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, 2011**

SCHOOL DISTRICTS:	Percent of Village's 2010 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%	12,585,000	94.835%	11,934,985
River Trails No. 26	28.2%	12,310,000	76.304%	9,393,022
Community Consolidated No. 59	27.7%	17,965,000	14.276%	2,564,683
Wheeling Community Consolidated No. 21	3.5%	38,873,995	3.034%	1,179,437
Prospect Heights No. 23	2.9%	2,470,000	7.750%	191,425
Arlington Heights No. 25	2.8%	10,165,000	2.594%	263,680
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	38,305,000	17.599%	6,741,297
Maine Township No. 207	0.2%	11,790,000	0.059%	6,956
Community Colleges:				
Harper No. 512	99.8%	185,775,000	8.651%	16,071,395
Total Schools				48,346,880
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,601,550,000	1.078%	38,824,709
Metropolitan Water Reclamation District	100.0%	2,466,464,000	1.100%	27,131,104
Park Districts:				
Mount Prospect	64.3%	7,160,000	61.599%	4,410,488
Arlington Heights	2.5%	23,306,199	1.521%	354,487
Des Plaines	1.6%	7,270,000	1.642%	119,373
Prospect Heights	3.6%	520,690	15.162%	78,947
River Trails	28.0%	742,215	81.564%	605,380
Total Other Than Schools				71,524,489

- 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 2010 Real Property valuations.

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

Village of Mount Prospect:	Levy Years				
	2006	2007	2008	2009	2010
Bonds and Interest	\$ 0.083	\$ 0.071	\$ 0.093	\$ 0.076	\$ 0.098
Pensions (Police, Fire)	0.168	0.153	0.156	0.190	0.257
Corporate	0.469	0.416	0.393	0.399	0.377
Garbage	0.126	0.110	0.090	0.089	0.097
Total Village	<u>\$ 0.846</u>	<u>\$ 0.750</u>	<u>\$ 0.732</u>	<u>\$ 0.754</u>	<u>\$ 0.829</u>
Cook County, Including Forest Preserve District	0.557	0.499	0.466	0.443	0.474
Metropolitan Water Reclamation District	0.284	0.263	0.252	0.261	0.274
Mount Prospect Park District	0.474	0.411	0.407	0.411	0.453
Mount Prospect Public Library	0.482	0.439	0.441	0.450	0.519
Special Service Area No. 5	0.118	0.101	0.096	0.095	0.105
Community Consolidated School District No. 59	2.013	1.791	1.810	1.945	2.129
Township High School District No. 214	1.823	1.621	1.587	1.636	1.839
Harper College No. 512	0.288	0.260	0.256	0.258	0.295
All Other	0.076	0.077	0.067	0.093	0.080
Total (2)	<u>\$ 6.961</u>	<u>\$ 6.212</u>	<u>\$ 6.114</u>	<u>\$ 6.346</u>	<u>\$ 6.997</u>
Village as a Percent of Total	12.2%	12.1%	12.0%	11.9%	11.8%

- 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, 2011 (Note 1)	
			Amount	Percent (2)
2006	2007	13,506,574	13,255,751	98.14%
2007	2008	14,014,838	13,647,811	97.38%
2008	2009	14,472,269	14,270,118	98.60%
2009	2010	15,194,636	15,348,921	101.02%
2010	2011	15,194,636	14,961,441	98.47%

- 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	CRP Holdings	Real Estate	\$ 23,016,992	1.25%
2	Randhurst Shopping Center	Shopping Center	20,637,049	1.12%
3	Mount Prospect Plaza	Shopping Center	20,179,124	1.10%
4	Golf Plaza I & II	Shopping Center	19,086,949	1.04%
5	Home Properties Colony	Colony Square Apartments	18,602,803	1.01%
6	First Industrial	Real Estate	12,682,076	0.69%
7	Cummins-Allison Corp	Manufacturing	10,815,315	0.59%
8	Huntington Square	Apartments	10,127,700	0.55%
9	LIT Industrial Limited	Real Estate	9,913,217	0.54%
10	KRCV Corp.	Real Estate	9,091,678	0.50%
			<u>\$ 154,152,903</u>	<u>8.39%</u>

- Notes: 1. Valuations as of January 1, 2010 for 2011 tax purposes.
 2. Total 2010 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,834,680,507.

2004 AND 2010 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Classification	Village of Mount Prospect					
	Taxable Valuation			Percent of Total		
	2004	2010	% Increase	2004	2010	
Residential	940,125,430	n/a	n/a	63.05%	n/a	
Commercial	374,813,387	n/a	n/a	25.14%	n/a	
Industrial	175,903,709	n/a	n/a	11.80%	n/a	
Railroad	334,619	n/a	n/a	0.02%	n/a	
Total	1,491,177,145	n/a	n/a	100.00%	n/a	

* 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 2011 valuation is not available as of the date of this report. Information for 2010 was not available for inclusion in the report.

GENERAL FUND (Note 1)

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

	Actual						
					2011		
	2007	2008	2009	2010	Budget	Actual	
Revenues:							
Property Taxes	9,896,594	10,438,261	10,738,759	11,719,530	11,639,000	11,596,829	
Sales Taxes	8,811,400	10,066,919	9,055,194	10,388,196	11,850,000	11,809,779	
State Income Taxes	4,980,054	5,326,270	4,573,162	4,428,176	4,445,000	4,328,196	
Licenses, Permits & Fees	3,445,370	3,094,828	3,672,054	3,394,211	3,410,200	3,356,816	
Utility Taxes	4,620,256	4,757,979	4,519,175	5,709,895	4,395,000	4,624,678	
Charges for Service	1,631,636	1,511,172	1,691,169	1,655,275	1,628,690	1,694,638	
Fines & Forfeits	720,673	720,351	529,655	556,178	555,500	548,993	
Interest Income	479,704	256,844	64,955	43,540	23,600	23,067	
Food & Beverage Tax	797,730	776,268	751,121	790,965	800,000	867,630	
Real Estate Transfer Tax	789,912	643,082	405,300	379,942	350,000	363,194	
All Other Revenues	3,764,388	3,491,085	2,864,926	1,646,416	1,997,540	1,959,168	
Total Revenues	\$ 39,937,717	\$ 41,083,059	\$ 38,865,470	\$ 40,712,324	\$ 41,094,530	\$ 41,172,988	
Expenditures:							
General Government							
Public Representation Division	123,983	163,820	119,564	155,765	116,944	108,809	
Village Manager's Office	2,442,227	2,828,495	3,015,431	2,451,642	2,618,479	2,645,351	
Television Services Division	164,809	193,430	193,273	188,258	170,979	149,956	
Village Clerk's Office	196,054	198,860	208,123	203,020	155,426	144,457	
Finance Department	1,732,616	1,584,723	1,564,367	1,571,136	1,618,137	1,561,758	
Community Development - Administration	593,980	710,403	649,803	625,171	668,291	628,017	
Benefit Payments	44,533	45,460	45,590	45,724	45,863	45,861	
Total General Government	\$ 5,298,202	\$ 5,725,191	\$ 5,796,151	\$ 5,240,716	\$ 5,394,119	\$ 5,284,209	
Public Safety:							
Police Department	13,318,324	13,883,553	14,150,722	14,512,406	14,840,002	14,657,035	
Fire & Emergency Protection Department	10,549,631	11,068,216	11,338,494	11,443,146	11,554,618	11,448,614	
Code Enforcement	839,085	849,746	859,191	909,852	887,764	837,639	
Total Public Safety	\$ 24,707,040	\$ 25,801,515	\$ 26,348,407	\$ 26,865,404	\$ 27,282,384	\$ 26,943,288	
Highways & Streets	7,299,378	7,176,947	6,424,112	5,925,170	7,163,833	6,587,426	
Health	119,773	119,067	126,152	125,512	143,618	137,445	
Welfare	1,210,945	1,330,261	1,518,685	1,573,887	1,582,970	1,487,707	
Culture & Recreation	281,737	381,892	358,207	313,125	409,054	346,032	
Transfers Out	12,797	822,274	635,100	450,000	-	-	
Total Expenditures	\$ 38,929,872	\$ 41,357,147	\$ 41,206,814	\$ 40,493,814	\$ 41,975,978	\$ 40,786,107	
Revenues Over (Under) Expenditures	\$ 1,007,845	\$ (274,088)	\$ (2,341,344)	\$ 218,510	\$ (881,448)	\$ 386,881	
Ending Fund Balance	\$ 12,814,913	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991	\$ 9,536,543	\$ 10,804,872	

Balance Sheet – December 31

Assets:	2007	2008	2009	2010	2011
Cash & Investments	\$ 7,184,546	\$ 6,906,762	\$ 3,478,913	\$ 4,067,456	\$ 5,512,091
Receivables					
Property Taxes	10,978,708	10,656,198	11,796,455	12,668,700	12,125,463
Other Taxes	1,494,634	1,255,498	882,194	5,553,370	5,707,230
All Other	264,615	319,515	453,866	484,576	461,664
Due From Other Funds	1,507,604	1,674,287	2,054,902	1,563,298	568,815
Due From Other Governments	3,509,591	3,034,026	3,839,368	409,880	94,142
All Other Assets	40,910	228,750	88,492	53,536	100,590
Total Assets	<u>\$ 24,980,608</u>	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>	<u>\$ 24,569,995</u>
Liabilities & Fund Balance					
Accounts Payable	\$ 517,801	\$ 612,347	\$ 466,189	\$ 669,697	\$ 530,670
Deferred Revenues					
Property Taxes	10,418,303	10,642,163	11,635,298	11,392,567	11,991,724
All Other Liabilities	1,229,591	279,701	293,222	2,320,561	1,242,729
Fund Balance:					
Nonspendable	40,910	228,750	88,492	53,536	100,590
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	12,774,003	12,312,075	10,110,989	10,364,455	10,704,282
Total Fund Balance	<u>\$ 12,814,913</u>	<u>\$ 12,540,825</u>	<u>\$ 10,199,481</u>	<u>\$ 10,417,991</u>	<u>\$ 10,804,872</u>
Total Liabilities & Fund Balance	<u>\$ 24,980,608</u>	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>	<u>\$ 24,569,995</u>

Notes: 1. This condensed financial information for the years ending December 31, 2007-2011 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 2007-2010 and Summary 2011 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

						Fiscal Year Ended December 31, 2011			Fund Balance
	2007	2008	2009	2010	Revenue Incl. Transfers		Revenue Over (Under) Expenditures		
					Property Tax	Total			
Governmental Fund Types (2):									
General Fund *	\$ 12,814,913	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991	\$ 11,596,829	\$ 41,172,988	\$ 386,881	\$ 10,804,872	
Special Revenue Funds:									
Motor Fuel Tax	\$ 337,147	\$ (95,687)	\$ (448,734)	\$ (230,294)	\$ -	\$ 1,660,794	\$ 566,688	\$ 336,394	
Community Development Block Grant	-	-	-	-	-	415,132	-	-	
Refuse Disposal *	2,164,126	2,294,466	2,255,013	2,261,635	1,760,425	4,033,827	(115,486)	2,146,149	
Asset Seizure	77,320	54,751	50,411	60,205	-	4,261	(6,205)	54,000	
DEA shared Funds	37,677	31,857	19,209	16,749	-	35	(11,840)	4,909	
DUI Fines	30,245	18,461	27,153	41,302	-	21,887	-	44,132	
Foreign Fire Tax Fund	80,872	85,970	121,037	116,134	-	62,745	54,896	171,030	
Justice Assistant Grant Fund	-	-	-	-	-	10,203	-	10,203	
Business District Fund	-	-	-	-	-	77,195	-	77,195	
Total Special Revenue	\$ 2,727,387	\$ 2,389,818	\$ 2,024,089	\$ 2,265,731	\$ 1,760,425	\$ 6,286,079	\$ 578,281	\$ 2,844,012	
Debt Service *	94,398	(908,316)	(485,124)	(78,844)	2,497,615	2,544,873	210,216	131,372	
Capital Projects (3)	4,850,533	2,480,123	6,378,469	4,531,304	2,821,198	6,418,236	(971,319)	3,559,985	
Total Governmental	\$ 20,487,231	\$ 16,502,450	\$ 18,116,915	\$ 17,136,182	\$ 18,676,067	\$ 56,422,176	\$ 204,059	\$ 17,340,241	
Proprietary & Fiduciary Fund Types									
Enterprise Funds (4):									
Water and Sewer *	\$ 26,120,909	\$ 27,379,256	\$ 28,090,349	\$ 31,469,468	\$ 1,526,828	\$ 10,683,253	\$ 239,006	\$ 31,708,474	
Village Parking System	150,073	249,712	317,792	352,594	-	328,616	(608)	351,986	
Internal Service Funds (5)	14,659,768	14,632,472	15,009,509	14,308,173	-	9,225,981	(951,134)	13,357,039	
Pension Trust Funds:									
Police Pension	42,963,185	36,262,943	41,020,480	44,540,311	-	3,889,904	236,836	44,777,147	
Firefighter's Pension	43,030,181	36,681,856	40,800,750	43,860,979	-	3,580,529	3,998	43,864,977	
Total Proprietary & Fiduciary	\$ 126,924,116	\$ 115,206,239	\$ 125,238,860	\$ 134,531,525	\$ 1,526,828	\$ 27,706,283	\$ (471,902)	\$ 134,059,623	
Discretely Presented Component Unit:									
Mount Prospect Public Library	\$ 4,171,946	4,801,850	5,043,284	5,660,784	\$ 9,741,066	\$ 9,890,010	\$ 1,153,428	6,814,212	
Total All Funds (Memo Only)	\$ 151,583,293	\$ 136,510,539	\$ 148,399,079	\$ 157,328,491	\$ 29,943,961	\$ 94,018,469	\$ 865,585	\$ 158,214,076	

* Designated as major funds.

Cash & Investments at 12/31 (6):	2007	2008	2009	2010	2011
General Fund	\$ 7,184,546	\$ 6,906,762	\$ 3,478,913	\$ 4,067,456	\$ 5,512,091
Internal Service Funds	10,820,995	11,031,805	10,350,298	9,720,037	10,014,605
Refuse Disposal	1,853,585	2,055,278	2,005,380	1,885,464	1,969,567
Other Special Revenue Funds	1,175,936	464,682	227,363	258,648	592,878
Debt Service Funds	370,799	(238,703)	163,099	438,301	-
Subtotal	\$ 21,405,861	\$ 20,219,824	\$ 16,225,053	\$ 16,369,906	\$ 18,089,141
Capital Project Funds	4,671,780	2,323,527	8,621,164	3,635,004	3,221,653
Water & Sewer	4,342,452	4,231,532	3,648,859	3,148,880	2,709,829
Other Enterprise Funds	104,143	358,890	438,421	369,051	330,277
Pension Trust Funds	85,551,369	72,563,407	81,418,602	87,488,289	88,669,220
Other Fiduciary Funds	2,033,936	1,816,941	1,411,976	1,226,743	1,189,052

- Notes: 1. This condensed financial information for the years ending December 31, 2007-2011 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, 2011 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, 2007-2010. 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2011, 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."*
2. 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.
3. 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.
4. 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.
5. 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.
6. Excludes agency funds.

CAPITAL ASSETS (Note)
(December 31, 2011)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,291,446	Land	\$ 17,551,172
Total Assets Not Being Depreciated	\$ 10,291,446	Total Assets Not Being Depreciated	\$ 17,551,172
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 38,009,332	Buildings and Improvements	\$ 5,396,369
Improvements Other Than Buildings	384,000	Equipment	3,646,309
Infrastructure and All Other	98,318,678	Infrastructure	18,096,967
Total Capital Assets Being Depreciated	\$ 136,712,010	Total Capital Assets Being Depreciated	\$ 27,139,645
Less Accumulated Depreciation	\$ 67,480,440	Less Accumulated Depreciation	\$ 17,798,343
Total Capital Assets Being Depreciated, Net	\$ 69,231,570	Total Capital Assets Being Depreciated, Net	\$ 9,341,302
Net Assets	\$ 79,523,016	Net Assets	\$ 26,892,474

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.