

Village of Mount Prospect, Illinois



*Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2012*

**VILLAGE OF MOUNT PROSPECT,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2012

Prepared by:
Finance Department

David O. Erb
Finance Director

Lynn M. Jarog
Deputy Finance Director

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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INTRODUCTORY SECTION

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Principal Officials
December 31, 2012

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

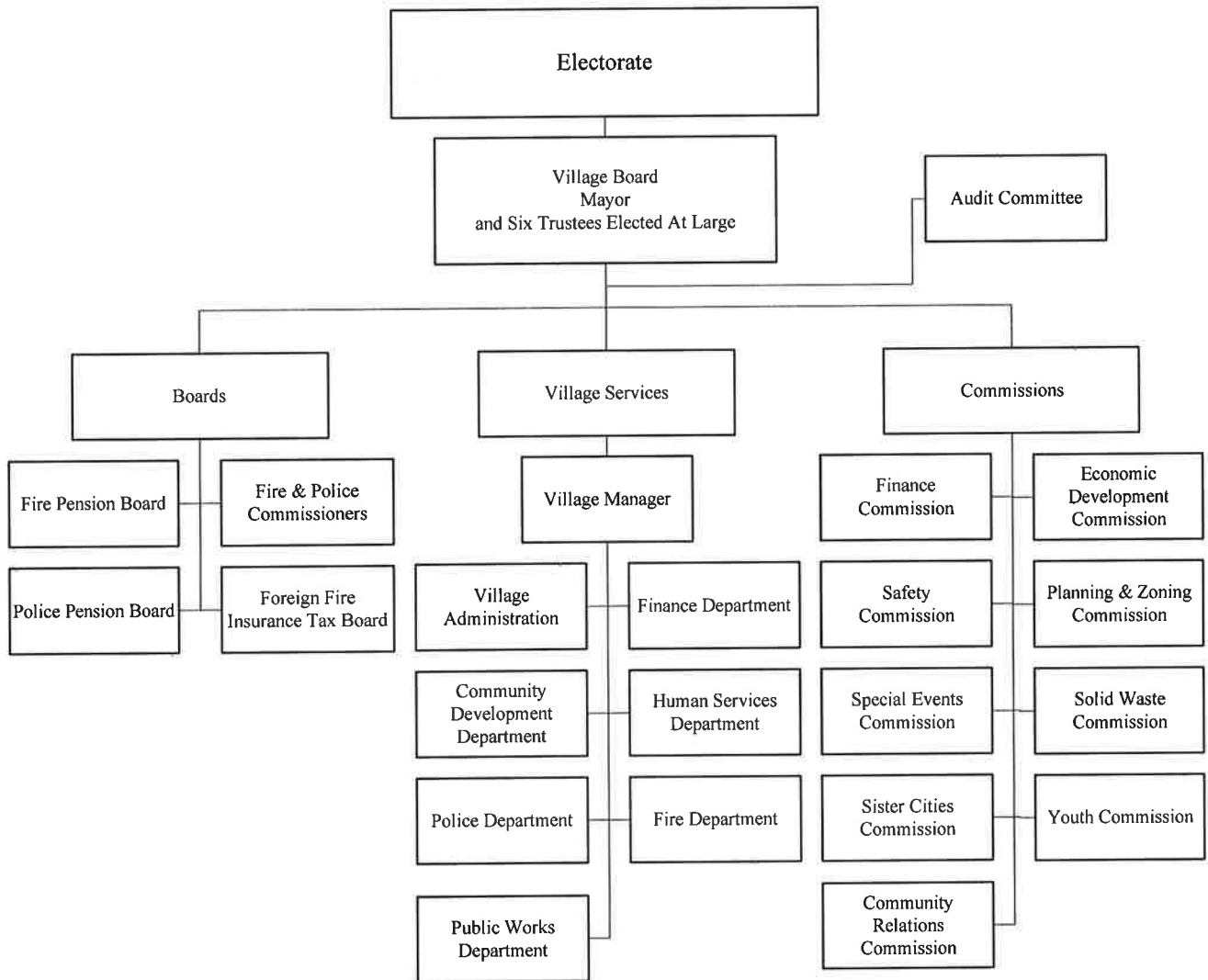
John Malcolm, Fire Chief

Michael J. Semkiu, 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
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Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

May 13, 2013

The Honorable Arlene A. Juracek, 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, 2012 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, 2012, 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, 2012 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, on the village website and at the Mount Prospect Public 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 \$1,979,000. **It should be noted that due to dwindling revenues we currently have a \$5 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 2013.**
- *STAFF COMPLETED A 1,200 SQUARE FOOT EXPANSION OF THE COMMUNITY CONNECTIONS CENTER.* Work included complete demolition of the existing space, as well as extensive plumbing, electrical, HVAC, and interior build-out modifications. The new space features two private offices, washroom facilities, and large conference room/community room. These new areas will be utilized to supplement community outreach programs offered by the Mount Prospect Public Library and the Village. This expansion was accomplished with a State DECO grant. Expanded programming opportunities will be accomplished without additional staff.

- 2012 saw the completion of the eighth 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 3,683 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 295 linear feet of severely failed (Category 3, 4 & 5) combination sewer pipe was excavated and replaced. In total, during the first eight years of this program 70,991 linear feet of pipe has been lined and 1,157 linear feet of pipe has been replaced. 100% of all Category 4 and 5 defects and 20% of category 3 defects have been repaired to date. Total water and sewer funds expended during 2012 are projected to be approximately \$1,000,000.
- Staff also completed an expansive and *COMPREHENSIVE STUDY OF THE JULY 23, 2011 SEVERE RAIN EVENT* which resulted in widespread street and structure flooding throughout the Village. Almost 7 inches of rain deluged the Village in less than 3 hours during the early morning hours of July 23, 2011 making the storm the most intense ever recorded. The study included on-site examination of homes that flooded, inspection and assessment of sewer mains, and computerized hydraulic analysis of sewer basins. The study recommended almost \$25 million worth of improvements including almost \$15 million worth of public-sector improvements and approximately \$10 million worth of private-sector improvements. The Village Board authorized funding to construct \$2.5 million worth of public improvements in 2013. **However, the disposition and funding of the remaining \$12.5 million worth of public improvements and \$10 million worth of private-sector improvement will be a top priority in 2013.**
- 2012 has been devastating to the Village's *URBAN FOREST*. A myriad of threats converged during the year resulting in a dramatic spike in parkway tree removals. During the year, 1,246 Village-owned trees were lost to Dutch Elm Disease, Elm Yellows, Emerald Ash Borer, other diseases, and natural decline. Historically, only about 400 trees are lost in a typical year. Through efficient utilization of resources and tight fiscal management, the Village has been able to keep pace with the increased volume of removals. In addition, due to the availability of two large grants, as well as Village funds, and low market prices, we were able to plant 784 replacement trees – one of our largest plantings ever.
- On the *ECONOMIC DEVELOPMENT* front activity is starting to pick up. Randhurst is nearing completion of construction. While final lease up is going slower than expected, the center should be close to 90% leased by the year end. Other significant developments include: United Airlines Data Center, Menards expansion, Niagara Math and Science Academy and the Meyer's Place Assisted Living development. Several annexation projects were also completed. Lastly, the 2011 outsourcing of building inspections was finalized with very satisfactory results.
- The *COMMUNITY CONNECTION CENTER (CCC)* celebrated its 3rd anniversary in August, 2012. 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 and many recent immigrants. Since its opening, requests for assistance from constituents has been in the high six figures. The Human Services and Police Departments have worked diligently in the last year to enhance their partnership. Patrol Officers average 35-40 referrals to the Human Services Police Social Worker with the goal of preventing future criminal activity.
- The *POLICE AND FIRE DEPARTMENTS* continued to focus on their respective core missions with an emphasis on disaster preparedness training-including training specific to the NATO Summit in Chicago last May. The Police Department saw significant command staff changes with the internal appointments of a new Police Chief, Deputy Chief, Commander and Sergeant. The succession plan was seamlessly executed. The Fire Department conducted a new hire test to establish a new eligibility list. The Department also upgraded its radio system as well as replaced an ambulance and four thermal imaging cameras.

- While it has taken nearly three years, we are nearing the end of a successful Village-wide *ENTERPRISE RESOURCE PLANNING (ERP)* software system implementation. Since 2010, the Financial Management module has been managing business processes such as annual budget, purchasing, accounts payable, miscellaneous billing, and revenue collections. The Human Resources module which includes position budgeting, employee and benefit administration, and payroll, recently received a facelift and improved functionality. With a couple of hiccups, the Community Development module went live late in 2011. Some service requests such as property maintenance and food related issues can now be submitted on-line and code enforcement inspections are being processed in the field. Staff has been working diligently throughout this year to bring the Utility Management (water/sewer and refuse billing) module live in January 2013 with several changes expected to improve business process efficiency. Additionally, staff continues to work closely with New World Systems to bring improvements to their suite of software, including upgrades to the Community Development module, improved mobility features, and enhanced on-line permitting and licensing. Related to the project, the Village spearheaded the formation of a new Illinois user group which meets regularly throughout the year with other municipalities to help each other address business process needs using the software, as well as advocate for software suggestions and address unresolved issues.

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 experienced a slight return from the slowdown in the housing market and weak 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, 2012 were \$11,040,403 compared to \$10,614,601 for the previous year, an increase of 4.0%. 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 \$1.1 billion for 2012. The Village projects that this revenue source will increase 3.0% - 5.0% during 2013 and 2014. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will grow over the next few years. The completed 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 2012 was 6.6%. This was a decrease from the prior year of 80 basis points (7.4% in 2011). Improvement in unemployment is indicative of a recovering economy, albeit slight. The unemployment rate for the State of Illinois decreased 90 basis points from 9.8% to 8.9% 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 - 2012. During the 2012 workshop, financial status reports were provided for end-of-year results for 2011, updated projections for 2012 and a revised forecast for 2013.

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 (2014-2018), the Village has identified \$59.3 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, 2011. 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, 2012 and ending December 31, 2012. 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 2013 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, 2011

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.



Christopher P. Morrill

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 13, 2013

The Honorable Village President
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, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mount Prospect, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other 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

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

For Fiscal Year Ended December 31, 2012

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 iii), 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 Position (the "Unrestricted Net Position") 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 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 Position

The Village's combined net position for the Primary Government (which is the Village's bottom line) as of December 31, 2012 was \$110.4 million. This was an increase in net position of \$1.8 million from 2011. Net position of the Village's governmental activities were \$77.0 million, an increase of \$0.5 million. The Village's unrestricted net position for governmental activities, the part that can be used to finance day-to-day operations, were \$25.0 million up \$5.0 million from the 2011 unrestricted net position total of \$20.0 million.

Table 1 reflects the condensed Statement of Net Position. For more detailed information see the Statement of Net Position found on pages 3-4. Table 2 focuses on the changes in net position 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 Position
as of December 31, 2012 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 53.4	\$ 47.0	\$ 8.2	\$ 6.4	\$ 61.6	\$ 53.4
Capital assets	75.6	79.5	26.6	26.9	102.2	106.4
Total assets	<u>\$ 129.0</u>	<u>\$ 126.5</u>	<u>\$ 34.8</u>	<u>\$ 33.3</u>	<u>\$ 163.8</u>	<u>\$ 159.8</u>
Current liabilities/deferred inflows	\$ 22.9	\$ 21.8	\$ 1.2	\$ 1.1	\$ 24.1	\$ 22.9
Noncurrent liabilities	29.1	28.3	0.2	0.1	29.3	28.4
Total liabilities	<u>\$ 52.0</u>	<u>\$ 50.1</u>	<u>\$ 1.4</u>	<u>\$ 1.2</u>	<u>\$ 53.4</u>	<u>\$ 51.3</u>
Net Position						
Net investment in capital assets	\$ 48.5	\$ 53.5	\$ 26.6	\$ 26.9	\$ 75.1	\$ 80.4
Restricted net position	3.5	2.9	-	-	3.5	2.9
Unrestricted net position	25.0	20.0	6.8	5.2	31.8	25.2
Total net position	<u>\$ 77.0</u>	<u>\$ 76.4</u>	<u>\$ 33.4</u>	<u>\$ 32.1</u>	<u>\$ 110.4</u>	<u>\$ 108.5</u>

Normal Impacts

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

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

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

Spending borrowed proceeds on new capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the 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 position 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 position 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 2011. Governmental activities net position increased \$0.5 million while the business-type activities net position increased by \$1.3 million. The governmental activities total assets increased by \$2.5 million and the governmental activities total liabilities/deferred inflows increased by \$1.9 million. The total assets increase of \$2.5 million in governmental activities was the result of an increase of \$6.4 million in current and other assets and a decrease of \$3.9 million in capital assets. The \$6.4 million increase in current assets was due to an increase in cash and investments of \$5.4 million, an increase in property tax receivables of \$0.6 million, and an increase in other assets of \$0.4 million. Bond proceeds accounted for a large share of the increase in cash and investments; accumulated depreciation accounted for the decrease in capital assets. The total net position increase of \$1.3 million in business-type activities was primarily due to an increase in cash and investments of \$1.7 million and a reduction in non-current assets of \$0.4 million.

(See independent auditor's report.)

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

The increase in total liabilities of \$1.9 million for the governmental activities was primarily due to an increase in liabilities related to general obligation debt service of \$0.9 million, deferred property taxes of \$0.4 million and assets/other payables of \$0.6 million. Liabilities for debt service increased due to the issuance of bonds for capital improvements. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities increased from \$1.2 million to \$1.4 million. This was due to an increase in various other liability categories.

Changes in Net Position

The Village's combined change in net position for the primary government in 2012 was an increase of \$1.8 million. Activities for the governmental activities saw an increase in net position of \$0.5 million from 2011, while activities for the business-type funds saw an increase in net position of \$1.3 million in 2012 versus an increase of \$0.3 million in 2011. The change in combined net position in the prior year was an increase of \$5.3 million. The following chart lists the revenues and expenses for the current and prior fiscal years.

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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 Position
as of December 31, 2012 (in millions)

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program revenues						
Charges for service	\$ 8.6	\$ 8.0	\$ 11.2	\$ 9.3	\$ 19.8	\$ 17.3
Operating grants	2.0	1.0	-	-	2.0	1.0
Capital grants	0.1	0.1	-	-	0.1	0.1
General revenues						
Property taxes	18.4	17.9	1.5	1.5	19.9	19.4
Business district taxes	0.3	-	-	-	0.3	-
Sales taxes	16.6	15.3	0.1	0.1	16.7	15.4
Income taxes	4.7	4.3	-	-	4.7	4.3
Utility taxes	4.6	4.6	-	-	4.6	4.6
Other taxes	2.8	4.9	-	-	2.8	4.9
Investment income	0.1	0.1	-	-	0.1	0.1
Contributions	-	-	-	-	-	-
Other	<u>0.3</u>	<u>0.1</u>	<u>(0.1)</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
Total revenue	\$ 58.5	\$ 56.3	\$ 12.7	\$ 11.0	\$ 71.2	\$ 67.3
Expenses						
General government	\$ 6.2	\$ 6.9	\$ -	\$ -	\$ 6.2	\$ 6.9
Public safety	28.2	27.3	-	-	28.2	27.3
Highways and streets	15.9	18.1	-	-	15.9	18.1
Health	4.4	4.3	-	-	4.4	4.3
Welfare	1.9	1.9	-	-	1.9	1.9
Culture and recreation	0.4	0.3	-	-	0.4	0.3
Interest	1.0	1.3	-	-	1.0	1.3
Water and sewer	-	-	11.1	10.4	11.1	10.4
Parking	-	-	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
Total expenses	\$ <u>58.0</u>	\$ <u>60.1</u>	\$ <u>11.4</u>	\$ <u>10.7</u>	\$ <u>69.4</u>	\$ <u>70.8</u>
Change in net position	\$ <u>0.5</u>	\$ <u>(3.8)</u>	\$ <u>1.3</u>	\$ <u>0.3</u>	\$ <u>1.8</u>	\$ <u>(3.5)</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 2012 were \$58.5 million.

Property taxes are the largest revenue source for governmental activities accounting for \$18.4 million or an increase of \$0.5 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 \$16.6 million in revenue. This was an increase of \$1.3 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 a slight increase of \$0.6 million in revenues from charges for services. The income tax increased \$0.4 million as state shared revenues saw slight growth during this period.

(See independent auditor's report.)

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

Governmental Activities (cont.)

Expenses:

Total expenses for the Village's Governmental Activities for 2012 were \$58.0 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2012 were \$28.2 million, an increase of \$0.8 million from 2011. 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 \$15.9 million a decrease of \$2.2 million from the prior year. The decrease is primarily due to a restatement of capital assets in the prior year. Depreciation recorded in 2012 was \$5.6 million.

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2012 were \$12.7 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 \$11.2 million generated in 2012, \$7.9 million is from water sales, \$2.9 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 2011, water sales accounted for \$6.3 million and sewer fees were \$2.7 million. The Water and Sewer Fund also receives special service area taxes in the amount of \$1.5 million. This amount is unchanged from the prior year. These taxes support the delivery of Lake Michigan Water to Village residents that are connected to the Village's water system.

Expenses:

Total expenses for the Village's Business-Type Activities for 2012 were \$11.4 million.

Of the total expenses for business-type activities, \$11.1 million is attributable to Water and Sewer while \$0.3 million is attributable to parking. \$4.6 million in Water and Sewer Fund expenses were for the acquisition of water through the Northwest Suburban Municipal Joint Action Water Agency (JAWA). In comparison, of the \$10.7 million in expenses for 2011, \$3.7 million were 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 \$0.8 million in 2012 from \$10.8 million to \$11.6 million. In 2012, General Fund revenues came in slightly below the final budget by \$0.7 million while expenditures came in \$0.8 million under budget. The final Village budget had anticipated an increase in the General Fund fund balance of \$0.7 million.

Intergovernmental revenues were above budget by \$0.2 million primarily due to a growth in income taxes. Actual income tax receipts for 2012 came in \$0.2 million above the final budget. No other significant deviations were seen in revenues during 2012.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2012, the Village amended the budget four 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. New financial software allows more frequent amendments to the budget to be made easier leading to better budget management. 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 2012 (in millions)

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Taxes	\$ 19.2	\$ 19.9	\$ 19.5
Intergovernmental	16.6	16.9	17.1
Other	5.8	6.5	6.0
Total Revenues	<u>\$ 41.6</u>	<u>\$ 43.3</u>	<u>\$ 42.6</u>
Expenditures and Transfers			
Expenditures	\$ 41.6	\$ 42.6	\$ 41.8
Transfers	-	-	-
Total Expenditures and Transfers	<u>\$ 41.6</u>	<u>\$ 42.6</u>	<u>\$ 41.8</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ 0.7</u>	<u>\$ 0.8</u>

Other Major Funds

There are two (2) other Major Funds for Fiscal Year ended December 31, 2012. 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 2012 were \$4.5 million, an increase of \$0.5 million from the prior year. Of this total revenue amount, \$1.8 million is from property taxes and \$2.7 million is from charges for services. Total expenditures for 2012 were \$4.3 million, an increase of \$0.2 million from the prior year. Ending fund balance grew \$0.2 million to \$2.3 million.

Debt Service Fund – This Fund is used to accumulate monies for payment of principal and interest on general obligation bonds and other borrowings. Total revenues for 2012 were \$2.4 million, no change from the prior year. Of this total revenue amount, \$2.4 million is from property taxes and \$0.1 million is from miscellaneous revenue. Total expenditures for 2012 were \$2.4 million, no change from the prior year. Ending fund balance was unchanged at \$0.1 million.

Capital Assets

At the end of 2012, the Village had a combined total of \$102.2 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 below). The following reconciliation summarizes the changes in Capital Assets.

(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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land (including right-of-way)	\$ 10.3	\$ 10.3	\$ 17.6	\$ 17.6	\$ 27.9	\$ 27.9
Construction in Progress	0.6	-	0.2	-	0.8	-
Buildings & Improvements	30.8	31.6	1.9	2.0	32.7	33.6
Vehicles	3.6	4.0	-	-	3.6	4.0
Machinery & Equipment	0.6	0.8	1.0	1.2	1.6	2.0
Infrastructure	<u>29.7</u>	<u>33.0</u>	<u>5.9</u>	<u>6.1</u>	<u>35.6</u>	<u>39.1</u>
Total Capital Assets	<u>\$ 75.6</u>	<u>\$ 79.7</u>	<u>\$ 26.6</u>	<u>\$ 26.9</u>	<u>\$ 102.2</u>	<u>\$ 106.6</u>

This amount represents a net decrease (including additions and deletions) of \$4.4 million from 2011.

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(See independent auditor's report.)

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

Table 5
Change in Capital Assets (in millions)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning Balance	\$ 79.7	\$ 26.9	\$ 106.6
Additions			
Depreciable	0.3	-	0.3
Non-Depreciable	0.6	0.2	0.8
Retirements			
Depreciable	(0.4)	(0.1)	(0.5)
Non-Depreciable	-	-	-
Depreciation	(4.9)	(0.5)	(5.4)
Retirement	0.3	0.1	0.4
Ending Balance	<u>\$ 75.6</u>	<u>\$ 26.6</u>	<u>\$ 102.2</u>

Table 5 above shows the change in capital assets during 2012. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

No significant additions to capital assets during 2012.

Business-type Activities

No significant additions to capital assets during 2012.

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

Debt Outstanding

The Village of Mount Prospect had total long-term debt and loans payable of \$31.3 million as of December 31, 2012. 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, \$5.5 million of general obligation debt and notes payable were issued, \$3.8 million of general obligation debt was retired; \$0.5 million in notes payable was retired while compensated absences increased by \$0.1 million. In addition, the net pension obligation and OPEB decreased a combined \$0.3 million.

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.

More detailed information on long-term debt activity can be found in Note 3 of the notes to the financial statements beginning on page 41.

(See independent auditor's report.)

Economic Factor's and Next Year's Budget

Total Village revenues in 2012 increased slightly from 2011. We anticipate continued improvement in revenues for 2013. 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.

Taxes from property, utility, food & beverage and other local taxes generated \$19.5 million. In addition, intergovernmental revenues generated \$17.1 million. When combined, these two revenue categories account for 85.9% of total General Fund revenues. Growth is projected in most all revenue categories with few exceptions.

The Village's average unemployment rate for 2012 was 6.6%. This is below both the state and national unemployment rate of 8.9% and 8.1% respectively. The Village's unemployment rate decreased 120 basis points from the prior year.

The 2013 Budget represents a 2.0% increase from the amended 2012 Budget and totals \$93.1 million. The General Fund increased \$2.1 million, or 4.7% from the prior year. The Village's Operating Budget (that part which funds the Village's day-to-day operations) shows an increase of 5.0% and totals \$60.2 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 Position
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Position
December 31, 2012**

	Governmental Activities	Business- Type Activities	Totals	Component Unit Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 26,799,109	\$ 4,702,267	\$ 31,501,376	\$ 6,321,919
Receivables - Net of Allowances				
Property Taxes	16,497,810	1,516,077	18,013,887	10,320,289
Other Taxes	6,515,066	26,777	6,541,843	-
Accounts	402,455	-	402,455	113
Utility Customers	-	1,287,262	1,287,262	-
Other	479,357	10,297	489,654	803
Due from Other Governments	477,836	209	478,045	5,219
Internal Balances	234,942	(234,942)	-	-
Prepays/Inventories	743,378	243,265	986,643	-
Total Current Assets	<u>52,149,953</u>	<u>7,551,212</u>	<u>59,701,165</u>	<u>16,648,343</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	10,875,270	17,733,987	28,609,257	677,552
Depreciable	137,869,078	27,056,495	164,925,573	25,206,381
Accumulated Depreciation	(73,120,312)	(18,224,107)	(91,344,419)	(10,330,091)
	<u>75,624,036</u>	<u>26,566,375</u>	<u>102,190,411</u>	<u>15,553,842</u>
Other Assets				
Deposits - Insurance	688,873	-	688,873	-
Deposit with Joint Venture	-	661,727	661,727	-
Net Pension Asset	534,665	-	534,665	-
	<u>1,223,538</u>	<u>661,727</u>	<u>1,885,265</u>	<u>-</u>
Total Noncurrent Assets	<u>76,847,574</u>	<u>27,228,102</u>	<u>104,075,676</u>	<u>15,553,842</u>
Total Assets	<u>128,997,527</u>	<u>34,779,314</u>	<u>163,776,841</u>	<u>32,202,185</u>

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

	Governmental Activities	Business- Type Activities	Totals	Component Unit Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,368,750	\$ 1,050,091	\$ 2,418,841	\$ 157,920
Accrued Payroll	1,332,755	106,057	1,438,812	240,145
Due to Other Governments	4,905	-	4,905	6,673
Accrued Interest Payable	78,387	-	78,387	37,902
Claims Payable	1,245,810	-	1,245,810	-
Other Payables	470,502	23,998	494,500	-
Current Portion of Long-Term Liabilities	2,214,132	41,147	2,255,279	1,138,269
Total Current Liabilities	6,715,241	1,221,293	7,936,534	1,580,909
Noncurrent Liabilities				
Compensated Absences Payable	2,707,283	164,585	2,871,868	93,076
Net Pension Obligation	544,493	-	544,493	-
Net Other Post-Employment Benefits Obligation Payable	289,542	6,160	295,702	61,927
Notes/Loans Payable	3,614,513	-	3,614,513	-
General Obligation Bonds Payable - Net	21,950,855	-	21,950,855	12,270,849
Total Noncurrent Liabilities	29,106,686	170,745	29,277,431	12,425,852
Total Liabilities	35,821,927	1,392,038	37,213,965	14,006,761
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	16,154,776	-	16,154,776	10,126,000
Total Liabilities and Deferred Inflows of Resources	51,976,703	1,392,038	53,368,741	24,132,761
NET POSITION				
Net Investment in Capital Assets	48,521,357	26,566,375	75,087,732	2,167,993
Restricted - Debt Service	57,430	-	57,430	694,043
Restricted - Highways and Streets	509,470	-	509,470	-
Restricted - Business District	434,120	-	434,120	-
Restricted - Public Safety	326,657	-	326,657	-
Restricted - Refuse Disposal	2,219,651	-	2,219,651	-
Restricted - Donations	-	-	-	269,131
Restricted - Working Cash	-	-	-	2,091,904
Unrestricted	24,952,139	6,820,901	31,773,040	2,846,353
Total Net Position	\$ 77,020,824	\$ 33,387,276	\$ 110,408,100	\$ 8,069,424

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, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 6,233,324	\$ 7,068,010	\$ -	\$ 50,062
Public Safety	28,134,173	1,412,279	35,326	4,828
Highways and Streets	15,853,017	126,660	1,654,171	17,285
Health	4,407,533	16,314	-	-
Welfare	1,909,062	-	285,370	-
Culture and Recreation	406,606	22,849	-	-
Interest on Long-Term Debt	1,033,923	-	-	-
Total Governmental Activities	57,977,638	8,646,112	1,974,867	72,175
Business-Type Activities				
Water and Sewer	11,129,942	10,990,923	-	-
Parking	345,715	225,214	-	-
Total Business-Type Activities	11,475,657	11,216,137	-	-
	\$ 69,453,295	\$ 19,862,249	\$ 1,974,867	\$ 72,175
Component Unit - Public Library	\$ 8,893,749	\$ 146,045	\$ -	\$ -

General Revenues

Taxes

Property

Utility

Business District Tax

Home Rule Sales

Food and Beverage

Real Estate Transfer

Municipal Motor Fuel

Other

Hotel/Motel

Intergovernmental - Unrestricted

State Sales and Use

Income Taxes

Replacement Taxes

Charitable Games Tax

Interest

Miscellaneous

Change in Net Position

Net Position - Beginning, as Restated

Net Position - Ending

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

Net Expense/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Totals	Public Library
\$ 884,748	\$ -	\$ 884,748	\$ -
(26,681,740)	-	(26,681,740)	-
(14,054,901)	-	(14,054,901)	-
(4,391,219)	-	(4,391,219)	-
(1,623,692)	-	(1,623,692)	-
(383,757)	-	(383,757)	-
(1,033,923)	-	(1,033,923)	-
(47,284,484)	-	(47,284,484)	-
-	(139,019)	(139,019)	-
-	(120,501)	(120,501)	-
-	(259,520)	(259,520)	-
(47,284,484)	(259,520)	(47,544,004)	-
-	-	-	(8,747,704)
18,385,422	1,515,605	19,901,027	9,842,479
4,658,265	-	4,658,265	-
283,706	-	283,706	-
4,750,232	99,795	4,850,027	-
955,706	-	955,706	-
515,330	-	515,330	-
337,066	-	337,066	-
295,162	-	295,162	-
304,800	-	304,800	-
11,877,115	-	11,877,115	-
4,759,513	-	4,759,513	-
358,286	-	358,286	45,924
4,090	-	4,090	-
42,452	517	42,969	13,752
278,293	(29,581)	248,712	98,483
47,805,438	1,586,336	49,391,774	10,000,638
520,954	1,326,816	1,847,770	1,252,934
76,499,870	32,060,460	108,560,330	6,816,490
\$ 77,020,824	\$ 33,387,276	\$ 110,408,100	\$ 8,069,424

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2012**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 7,352,604
Receivables - Net of Allowances	
Property Taxes	12,657,923
Other Taxes	5,290,786
Accounts	-
Other	448,569
Due from Other Governments	91,318
Due from Other Funds	274,942
Prepays/Inventories	<u>98,150</u>
 Total Assets	 <u><u>\$ 26,214,292</u></u>
LIABILITIES	
Accounts Payable	\$ 621,570
Accrued Payroll	1,270,072
Due to Other Funds	94,540
Due to Other Governments	-
Other Payables	<u>109,159</u>
Total Liabilities	<u>2,095,341</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>12,554,622</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>14,649,963</u></u>
FUND BALANCES	
Nonspendable	98,150
Restricted	-
Assigned	-
Unassigned	<u>11,466,179</u>
Total Fund Balances	<u><u>11,564,329</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$ 26,214,292</u></u>

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

Refuse Disposal	Debt Service	Nonmajor	Totals
\$ 2,022,049	\$ 20,636	\$ 7,836,418	\$ 17,231,707
1,858,368	1,745,120	236,399	16,497,810
-	176,798	1,047,482	6,515,066
402,455	-	-	402,455
-	-	10,369	458,938
14,577	-	357,473	463,368
-	-	-	274,942
136,097	-	8,017	242,264
<u>\$ 4,433,546</u>	<u>\$ 1,942,554</u>	<u>\$ 9,496,158</u>	<u>\$ 42,086,550</u>
\$ 208,399	\$ 58,253	\$ 343,038	\$ 1,231,260
12,824	-	2,266	1,285,162
-	-	-	94,540
-	4,905	-	4,905
-	-	347,324	456,483
221,223	63,158	692,628	3,072,350
1,856,575	1,743,579	-	16,154,776
2,077,798	1,806,737	692,628	19,227,126
136,097	-	8,017	242,264
2,219,651	135,817	1,270,247	3,625,715
-	-	7,525,930	7,525,930
-	-	(664)	11,465,515
2,355,748	135,817	8,803,530	22,859,424
<u>\$ 4,433,546</u>	<u>\$ 1,942,554</u>	<u>\$ 9,496,158</u>	<u>\$ 42,086,550</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 Position - Governmental Activities**

December 31, 2012

Total Governmental Fund Balances \$ 22,859,424

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 71,426,377

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. 13,420,662

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

Compensated Absences Payable	(3,206,386)
Net Pension Asset	534,665
Net Pension Obligation Payable	(544,493)
Net Other Post-Employment Benefit Obligation	(288,359)
General Obligation Bonds Payable - Net of Unamortized Items	(22,895,855)
Loan Contracts Payable	(1,706,824)
Installment Notes Payable	(2,500,000)
Accrued Interest Payable	(78,387)

Net Position of Governmental Activities \$ 77,020,824

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2012**

	<u>General</u>
Revenues	
Taxes	\$ 19,486,059
Licenses, Permits and Fees	3,657,586
Intergovernmental	17,052,986
Charges for Services	1,741,906
Fines and Forfeits	403,036
Interest	29,927
Miscellaneous	246,223
Total Revenues	<u>42,617,723</u>
Expenditures	
Current	
General Government	5,412,688
Public Safety	27,971,477
Highways and Streets	6,307,158
Health	143,295
Welfare	1,624,282
Culture and Recreation	399,366
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>41,858,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>759,457</u>
Other Financing Sources (Uses)	
Debt Issuance	-
Refunding Debt Issuance	-
Payments to Escrow Agent	-
	<u>-</u>
Net Change in Fund Balances	759,457
Fund Balances - Beginning	<u>10,804,872</u>
Fund Balances - Ending	<u>\$ 11,564,329</u>

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

Refuse Disposal	Debt Service	Nonmajor	Totals
\$ 1,795,227	\$ 2,364,449	\$ 6,839,954	\$ 30,485,689
-	-	-	3,657,586
-	-	1,809,841	18,862,827
2,675,204	-	-	4,417,110
-	-	-	403,036
-	6,432	132	36,491
1,057	47,258	335,354	629,892
4,471,488	2,418,139	8,985,281	58,492,631
-	-	414,587	5,827,275
-	-	51,466	28,022,943
-	-	1,427,027	7,734,185
4,261,889	-	-	4,405,184
-	-	284,780	1,909,062
-	-	-	399,366
-	-	4,761,739	4,761,739
-	1,479,732	-	1,479,732
-	959,812	-	959,812
4,261,889	2,439,544	6,939,599	55,499,298
209,599	(21,405)	2,045,682	2,993,333
-	-	2,500,000	2,500,000
-	2,975,000	-	2,975,000
-	(2,949,150)	-	(2,949,150)
-	25,850	2,500,000	2,525,850
209,599	4,445	4,545,682	5,519,183
2,146,149	131,372	4,257,848	17,340,241
\$ 2,355,748	\$ 135,817	\$ 8,803,530	\$ 22,859,424

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, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 5,519,183
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	41,942
Depreciation Expense	(4,213,017)
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	(59,360)
Deductions to Net Pension Obligation Payable	98,652
Additions to Net Pension Asset	161,980
Deductions to Net Other Post-Employment Benefit Obligations	155,585
Premium on Refunding	6,227
Issuance of General Obligation Bonds Payable	(2,975,000)
Retirement of General Obligation Bonds Payable	3,815,000
Amortization of Bond Issuance Costs	(34,307)
Issuance of Installment Notes Payable	(2,500,000)
Retirement of Loan Contracts Payable	549,732
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.	18,119
Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(63,782)</u>
Changes in Net Position of Governmental Activities	<u>\$ 520,954</u>

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2012

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Activities Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 4,356,739	\$ 345,528	\$ 4,702,267	\$ 9,567,402
Receivables - Net of Allowances				
Property Taxes	1,516,077	-	1,516,077	-
Other Taxes	-	26,777	26,777	-
Accounts - Billed	595,172	-	595,172	-
Accounts - Unbilled	692,090	-	692,090	-
Other	10,297	-	10,297	20,419
Due from Other Governments	209	-	209	14,468
Prepays	9,800	-	9,800	114,368
Inventories	233,465	-	233,465	386,746
Total Current Assets	<u>7,413,849</u>	<u>372,305</u>	<u>7,786,154</u>	<u>10,103,403</u>
Noncurrent Assets				
Capital Assets				
Nondepreciable	17,501,633	232,354	17,733,987	583,824
Depreciable	26,691,695	364,800	27,056,495	11,573,336
Accumulated Depreciation	(17,859,307)	(364,800)	(18,224,107)	(7,959,501)
	<u>26,334,021</u>	<u>232,354</u>	<u>26,566,375</u>	<u>4,197,659</u>
Other Assets				
Deposits - Insurance	-	-	-	688,873
Deposit with Joint Venture	661,727	-	661,727	-
	<u>661,727</u>	<u>-</u>	<u>661,727</u>	<u>688,873</u>
Total Noncurrent Assets	<u>26,995,748</u>	<u>232,354</u>	<u>27,228,102</u>	<u>4,886,532</u>
Total Assets	<u>34,409,597</u>	<u>604,659</u>	<u>35,014,256</u>	<u>14,989,935</u>

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

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,043,646	\$ 6,445	\$ 1,050,091	\$ 82,950
Accrued Payroll	102,262	3,795	106,057	47,593
Claims Payable	-	-	-	1,245,810
Due to Other Funds	-	234,942	234,942	-
Other Payables	-	23,998	23,998	14,019
Compensated Absences Payable	40,342	805	41,147	35,544
Total Current Liabilities	1,186,250	269,985	1,456,235	1,425,916
Noncurrent Liabilities				
Compensated Absences Payable	161,367	3,218	164,585	142,174
Net Other Post-Employment Benefits Obligation Payable	5,984	176	6,160	1,183
Total Noncurrent Liabilities	167,351	3,394	170,745	143,357
Total Liabilities	1,353,601	273,379	1,626,980	1,569,273
NET POSITION				
Net Investment in Capital Assets	26,334,021	232,354	26,566,375	4,197,659
Unrestricted	6,721,975	98,926	6,820,901	9,223,003
Total Net Position	\$ 33,055,996	\$ 331,280	\$ 33,387,276	\$ 13,420,662

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 Position - Proprietary Funds
Year Ended December 31, 2012

	Business-Type Activities - Enterprise			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 10,990,923	\$ 225,214	\$ 11,216,137	\$ 8,668,128
Contributions	-	-	-	1,060,048
Miscellaneous	-	-	-	19,124
Total Operating Revenues	10,990,923	225,214	11,216,137	9,747,300
Operating Expenses				
Administration and Maintenance	10,671,163	345,715	11,016,878	2,501,485
Insurance and Claims	-	-	-	6,662,188
Depreciation	458,779	-	458,779	716,331
Total Operating Expenses	11,129,942	345,715	11,475,657	9,880,004
Operating Income (Loss)	(139,019)	(120,501)	(259,520)	(132,704)
Nonoperating Revenues (Expenses)				
Property Taxes	1,515,605	-	1,515,605	-
Home Rule Sales Tax	-	99,795	99,795	-
Interest Income	517	-	517	5,961
Other Income	20,554	-	20,554	-
Disposal of Capital Assets	(50,135)	-	(50,135)	62,961
	1,486,541	99,795	1,586,336	68,922
Change in Net Position	1,347,522	(20,706)	1,326,816	(63,782)
Net Position - Beginning as Restated	31,708,474	351,986	32,060,460	13,484,444
Net Position - Ending	\$ 33,055,996	\$ 331,280	\$ 33,387,276	\$ 13,420,662

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, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 12,363,818	\$ 327,337	\$ 12,691,155	\$ -
Interfund Services Provided	-	-	-	9,533,536
Payments to Suppliers	(8,715,372)	(249,552)	(8,964,924)	(8,289,145)
Payments to Employees	(1,819,038)	(62,534)	(1,881,572)	(899,495)
	<u>1,829,408</u>	<u>15,251</u>	<u>1,844,659</u>	<u>344,896</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	-	-	-	69,961
Purchase of Capital Assets	(182,815)	-	(182,815)	(868,021)
	<u>(182,815)</u>	<u>-</u>	<u>(182,815)</u>	<u>(798,060)</u>
Cash Flows from Investing Activities				
Interest Received	517	-	517	5,961
	<u>517</u>	<u>-</u>	<u>517</u>	<u>5,961</u>
Net Change in Cash and Cash Equivalents	1,647,110	15,251	1,662,361	(447,203)
Cash and Cash Equivalents - Beginning	<u>2,709,629</u>	<u>330,277</u>	<u>3,039,906</u>	<u>10,014,605</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,356,739</u>	<u>\$ 345,528</u>	<u>\$ 4,702,267</u>	<u>\$ 9,567,402</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (139,019)	\$ (120,501)	\$ (259,520)	\$ (132,704)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	458,779	-	458,779	716,331
Other Income	1,536,159	99,795	1,635,954	-
(Increase) Decrease in Current Assets	(163,264)	2,328	(160,936)	(213,764)
Increase (Decrease) in Current Liabilities	136,753	33,629	170,382	(24,967)
	<u>1,829,408</u>	<u>15,251</u>	<u>1,844,659</u>	<u>344,896</u>
Net Cash Provided by Operating Activities	<u>1,829,408</u>	<u>15,251</u>	<u>1,844,659</u>	<u>344,896</u>

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Statement of Net Position - Fiduciary Funds
December 31, 2012**

	Pension Trust	Agency
ASSETS		
Cash and Cash Equivalents	\$ 3,910,845	\$ 1,443,227
Investments		
State and Local Obligations	4,364,956	-
U.S. Government and Agency Obligations	22,414,998	-
Corporate Bonds and Obligations	18,140,292	-
Mutual Funds	47,061,285	-
Receivables - Net of Allowances		
Accrued Interest	302,451	-
Other	-	370
Prepays	2,106	-
Due from Other Funds	<u>94,540</u>	<u>-</u>
Total Assets	<u>96,291,473</u>	<u>1,443,597</u>
LIABILITIES		
Accounts Payable	135,267	-
Deposits Payable	-	1,402,648
Due to Other Funds	-	40,000
Other Liabilities	-	635
Due to Library	<u>-</u>	<u>314</u>
Total Liabilities	<u>135,267</u>	<u>\$ 1,443,597</u>
NET POSITION		
Held in Trust for Pension Benefits	<u>\$ 96,156,206</u>	

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
Year Ended December 31, 2012

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 4,772,183
Contributions - Plan Members	<u>1,358,723</u>
Total Contributions	<u>6,130,906</u>
Investment Income	
Interest Earned	2,548,127
Net Change in Fair Value	<u>6,447,669</u>
	8,995,796
Less Investment Expenses	<u>(172,898)</u>
Net Investment Income	<u>8,822,898</u>
Total Additions	<u>14,953,804</u>
Deductions	
Administration	64,656
Benefits and Refunds	<u>7,375,066</u>
Total Deductions	<u>7,439,722</u>
Change in Net Position	7,514,082
Net Position - Beginning	<u>88,642,124</u>
Net Position - Ending	<u>\$ 96,156,206</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, 2012

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). 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, 2012

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, 2012

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, 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 position resulting from the current year's activities.

Fund Financial Statements

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains 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, 2012

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 position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major proprietary fund, the Water and Sewer Fund, which 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, 2012

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 position and changes in net position 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 three 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 and Section 132 flexible compensation plans. The money is reimbursed to employees for qualified medical and dependent care expenses, parking and transportation expenses. 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 Position 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, 2012

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/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary, 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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust, and agency fund equity is classified as net position. 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 Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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, 2012

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

Cash and Investments

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

Investments are 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, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 prepaids/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 prepaids 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

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

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

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures/expenses at the time of issuance.

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

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

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

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

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, 2012**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
Debt Service	\$ 16,749

DEFICIT FUND EQUITY

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

<u>Fund</u>	<u>Deficit</u>
Parking System Revenue	\$ 232,626

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or 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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 and business-type activities totaled \$14,626,615 and the bank balances totaled \$15,559,186.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years) Less Than 1</u>
Illinois Funds	\$ 14,863,338	\$ 14,863,338
Illinois Metropolitan Investment Fund	2,011,423	2,011,423
	<u>\$ 16,874,761</u>	<u>\$ 16,874,761</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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 50% of the investment portfolio and IMET shall not exceed 50% of the investment portfolio. At year-end, the Village’s investments are in compliance with its investment policy as it relates to concentration risk.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,837,375 and the bank balances totaled \$1,838,574.

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 Bills	\$ 749,595	\$ 749,595	\$ -	\$ -	\$ -
U. S. Treasury Notes	1,847,506	724,619	906,116	216,771	-
U. S. Treasury Bonds	38,456	-	-	-	38,456
U. S. Treasury Inflation Index	639,580	-	452,275	187,305	-
Federal Home Loan Bank	542,250	-	542,250	-	-
Federal Home Loan Mtg. Corp.	1,794,536	180,782	-	137,726	1,476,028
Federal National Mtg. Assn.	4,526,444	781,618	307,514	883,592	2,553,720
Government National Mtg. Assn.	1,428,825	-	-	3,815	1,425,010
U. S. HUD Securities	212,238	-	212,238	-	-
State, Local and Municipal Bonds	2,666,839	173,670	336,900	468,684	1,687,585
Corporate Bonds and Obligations	9,333,297	1,294,841	2,790,959	5,105,619	141,878
Equity Mutual Funds	23,084,476	23,084,476	-	-	-
Illinois Funds	22,138	22,138	-	-	-
	<u>\$ 46,886,180</u>	<u>\$ 27,011,739</u>	<u>\$ 5,548,252</u>	<u>\$ 7,003,512</u>	<u>\$ 7,322,677</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, FNMA, GNMA, U.S. HUD Securities, U.S. Treasury securities, money market mutual funds and Illinois Funds are rated AA and greater. The state, local and municipal bonds have market values of \$1,164,951, \$1,468,380 and \$33,508 rated AAA, AA and A, respectively. The corporate bonds and obligations have market values of \$319,656, \$648,599, \$5,040,239 and \$3,324,803 rated AAA, 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 Fund's 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, 2012, the Fund's investment in Vanguard 500 Index, LSV Value Equity Fund, Pioneer Equity Income Fund, and T Rowe Price Growth Fund 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, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,747,109 and the bank balances totaled \$1,749,302.

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	\$ 815,924	\$ 274,336	\$ 375,877	\$ 165,711	\$ -
U. S. Treasury Inflation Index	527,552	-	527,552	-	-
Federal Home Loan Mtg. Corp.	1,957,703	185,796	133,484	552,029	1,086,394
Federal National Mtg. Assn.	5,945,828	305,989	305,290	1,192,622	4,141,927
Government National Mtg. Assn.	786,640	-	10,756	-	775,884
U. S. HUD Securities	319,416	-	212,238	107,178	-
Other Government Agencies	282,505	-	100,172	33,045	149,288
State, Local and Municipal Bonds	1,698,117	219,201	774,685	679,565	24,666
Corporate Bonds and Obligations	8,806,995	1,004,804	3,685,002	3,839,031	278,158
Equity Mutual Funds	23,976,809	23,976,809	-	-	-
Illinois Funds	304,223	304,223	-	-	-
	<u>\$ 45,421,712</u>	<u>\$ 26,271,158</u>	<u>\$ 6,125,056</u>	<u>\$ 6,569,181</u>	<u>\$ 6,456,317</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 FHLMC, FNMA, GNMA, U.S. HUD Securities, U.S. Treasury securities, money market mutual funds and Illinois Funds are rated AA and greater. The state, local and municipal bonds have market values of \$587,169, \$1,086,282 and \$24,666 rated AAA, AA and A, respectively. The corporate bonds and obligations have market values of \$341,016, \$804,366, \$4,329,951, and \$3,331,662 rated AAA, AA, A and BBB, respectively.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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 Fund's 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, 2012, 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 2012 attach as an enforceable lien on January 1, 2012, 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, 2013 and September 1, 2013. The County collects such taxes and remits them periodically.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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
Construction in Progress	-	583,824	-	583,824
	<u>10,291,446</u>	<u>583,824</u>	<u>-</u>	<u>10,875,270</u>
Depreciable Capital Assets				
Buildings	38,009,332	-	-	38,009,332
Improvements Other than Buildings	384,000	-	-	384,000
Vehicles	11,437,767	284,197	353,741	11,368,223
Machinery and Equipment	1,222,946	27,830	-	1,250,776
Infrastructure	86,842,635	14,112	-	86,856,747
	<u>137,896,680</u>	<u>326,139</u>	<u>353,741</u>	<u>137,869,078</u>
Less Accumulated Depreciation				
Buildings	6,518,827	758,504	-	7,277,331
Improvements Other than Buildings	259,200	19,200	-	278,400
Vehicles	7,470,631	693,956	346,741	7,817,846
Machinery and Equipment	458,828	132,828	-	591,656
Infrastructure	53,830,219	3,324,860	-	57,155,079
	<u>68,537,705</u>	<u>4,929,348</u>	<u>346,741</u>	<u>73,120,312</u>
Total Net Depreciable Capital Assets	<u>69,358,975</u>	<u>(4,603,209)</u>	<u>7,000</u>	<u>64,748,766</u>
Total Net Capital Assets	<u>\$ 79,650,421</u>	<u>\$ (4,019,385)</u>	<u>\$ 7,000</u>	<u>\$ 75,624,036</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

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	\$ 422,920
Public Safety	381,473
Highways and Streets	3,399,035
Health	7,240
Culture and Recreation	2,349
Internal Service	716,331
	<u>\$ 4,929,348</u>

Business-Type Activities

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

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 17,551,172	\$ -	\$ -	\$ 17,551,172
Construction in Progress	-	182,815	-	182,815
	<u>17,551,172</u>	<u>182,815</u>	<u>-</u>	<u>17,733,987</u>
Depreciable Capital Assets				
Buildings and Improvements	4,499,808	-	-	4,499,808
Machinery and Equipment	3,646,309	-	-	3,646,309
Infrastructure	19,037,108	-	126,730	18,910,378
	<u>27,183,225</u>	<u>-</u>	<u>126,730</u>	<u>27,056,495</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,515,441	70,880	-	2,586,321
Machinery and Equipment	2,459,773	137,596	-	2,597,369
Infrastructure	12,866,709	250,303	76,595	13,040,417
	<u>17,841,923</u>	<u>458,779</u>	<u>76,595</u>	<u>18,224,107</u>
Total Net Depreciable Capital Assets	<u>9,341,302</u>	<u>(458,779)</u>	<u>50,135</u>	<u>8,832,388</u>
Total Net Capital Assets	<u>\$ 26,892,474</u>	<u>\$ (275,964)</u>	<u>\$ 50,135</u>	<u>\$ 26,566,375</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

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 \$ 458,779

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	1,065,870	85,357	9,700	1,141,527
Books	6,325,219	408,912	212,353	6,521,778
	<u>24,934,165</u>	<u>494,269</u>	<u>222,053</u>	<u>25,206,381</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,578,765	438,577	-	4,017,342
Equipment	744,609	77,497	9,700	812,406
Books	5,305,902	406,794	212,353	5,500,343
	<u>9,629,276</u>	<u>922,868</u>	<u>222,053</u>	<u>10,330,091</u>
Total Net Depreciable Capital Assets	<u>15,304,889</u>	<u>(428,599)</u>	<u>-</u>	<u>14,876,290</u>
Total Net Capital Assets	<u>\$ 15,982,441</u>	<u>\$ (428,599)</u>	<u>\$ -</u>	<u>\$ 15,553,842</u>

Depreciation expense was charged to component unit activities as follows:

Mount Prospect Public Library \$ 922,868

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

Individual fund advances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Business-Type	\$ 234,942
General	Flexcomp Escrow	40,000
Police Pension	General	51,242
Firefighters' Pension	General	<u>43,298</u>
		<u>\$ 369,482</u>

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

- \$234,942 due to the General Fund from Nonmajor Business-Type Funds. The balance represents an operating loan to support operations of the Parking System Revenue Fund. Funding alternatives that are being considered include a parking rate increase to eliminate the need for further support and address the amount due.
- \$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.
- \$51,242 due to the Police Pension Fund from the General Fund. This was the contributions due for 2012 tax collections received in January and February 2013.
- \$43,298 due to the Firefighters' Pension Fund from the General Fund. This was the contributions due for 2012 tax collections received in January and February 2013.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION RESTATEMENTS

Beginning net position was restated to reflect errors in recognition of capital assets. The following is a summary of the net position as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase
Governmental Activities	\$ 76,372,465	76,499,870	127,405
Vehicle Replacement	9,979,886	10,107,291	127,405

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	\$ 2,885,000	\$ -	* 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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

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	\$ 3,200,000	\$ -	\$ 280,000	\$ 2,920,000
\$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	5,095,000	-	40,000	5,055,000
\$2,975,000 General Obligation Refunding Bonds of 2012C, due in annual installments of \$610,000 to \$865,000 plus interest at 3.10% to through December 1, 2022.	Debt Service	-	2,975,000	610,000	2,365,000
		<u>\$ 23,630,000</u>	<u>\$ 2,975,000</u>	<u>\$ 3,815,000</u>	22,790,000
	Plus: Unamortized Bond Premium				<u>105,855</u>
					<u>\$ 22,895,855</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

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	\$ 75,385	\$ -	\$ 37,065	\$ 38,320
\$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	610,170	-	237,986	372,184
\$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	340,599	-	109,772	230,827
\$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	441,917	-	68,472	373,445
\$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	788,485	-	96,437	692,048
		<u>\$ 2,256,556</u>	<u>\$ -</u>	<u>\$ 549,732</u>	<u>\$ 1,706,824</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Notes Payable

The Village enters into installment notes payable to provide funds for acquisition of capital assets. Installment notes payable have been issued for the governmental activities. Installment notes payable are direct obligations and pledge the full faith and credit of the Village. Installment notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,500,000 Installment Note Payable of 2012, due in annual installments of \$25,000 to \$590,000 plus interest at 0.91% through December 1, 2019.	Debt Service	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000

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	\$ 3,319,221	\$ 129,766	\$ 64,883	\$ 3,384,104	\$ 676,821
Net Pension Obligation	643,145	-	98,652	544,493	-
Net Other Post-Employment Benefits Obligation	445,766	-	156,224	289,542	-
General Obligation Bonds	23,630,000	2,975,000	3,815,000	22,790,000	945,000
Add: Unamortized Bond Premium	112,082	-	6,227	105,855	-
Loan Contracts Payable	2,256,556	-	549,732	1,706,824	567,311
Installment Notes Payable	-	2,500,000	-	2,500,000	25,000
	<u>\$ 30,406,770</u>	<u>\$ 5,604,766</u>	<u>\$ 4,690,718</u>	<u>\$ 31,320,818</u>	<u>\$ 2,214,132</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Business-Type Activities					
Compensated Absences	\$ 165,882	\$ 79,698	\$ 39,848	\$ 205,732	\$ 41,147
Net Other Post-Employment Benefits Obligation	9,483	-	3,323	6,160	-
	<u>\$ 175,365</u>	<u>\$ 79,698</u>	<u>\$ 43,171</u>	<u>\$ 211,892</u>	<u>\$ 41,147</u>
Component Unit - Public Library					
Compensated Absences	\$ 111,844	\$ 9,002	\$ 4,501	\$ 116,345	\$ 23,269
Net Other Post-Employment Benefits Obligation	55,528	6,399	-	61,927	-
General Obligation Bonds	14,765,000	-	1,075,000	13,690,000	1,115,000
Less: Unamortized Bond Refunding	(334,566)	-	(30,415)	(304,151)	-
	<u>\$ 14,597,806</u>	<u>\$ 15,401</u>	<u>\$ 1,049,086</u>	<u>\$ 13,564,121</u>	<u>\$ 1,138,269</u>

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, the IEPA loan contract payables and the installment notes payable. 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, \$177,718 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, \$1,183 of internal service funds' net other post-employment benefits obligation 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Village

During fiscal year 2012, the Village issued \$2,975,000 General Obligation Refunding Bonds of 2012C to refund \$2,885,000 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 \$221,663 and obtained an economic gain of \$185,495.

In prior years the Village 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 \$4,925,000 at December 31, 2012.

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 \$13,275,000 at December 31, 2012.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Loan Contracts Payable		Installment Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 945,000	\$ 845,837	\$ 567,311	\$ 46,045	\$ 25,000	\$ 20,917
2014	980,000	818,484	417,587	28,226	135,000	22,522
2015	1,025,000	793,726	178,913	18,345	400,000	21,294
2016	1,065,000	767,626	183,840	13,418	415,000	17,654
2017	1,110,000	738,571	188,903	8,355	420,000	13,878
2018	1,160,000	707,766	112,771	3,735	515,000	10,056
2019	1,215,000	673,419	57,499	754	590,000	5,369
2020	1,275,000	636,363	-	-	-	-
2021	1,390,000	596,753	-	-	-	-
2022	1,385,000	548,698	-	-	-	-
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	\$ 22,790,000	\$ 9,159,387	\$ 1,706,824	\$ 118,878	\$ 2,500,000	\$ 111,690

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year	Component Unit Public Library	
	General Obligation Bonds	
	Principal	Interest
2013	\$ 1,115,000	\$ 454,826
2014	1,140,000	434,379
2015	1,155,000	413,356
2016	1,280,000	392,044
2017	1,360,000	358,266
2018	1,410,000	305,906
2019	1,465,000	250,916
2020	1,525,000	193,048
2021	1,585,000	132,048
2022	1,655,000	67,856
Total	<u>\$ 13,690,000</u>	<u>\$ 3,002,645</u>

Legal Debt Margin

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

“The General Assembly may limit by law the amount and require referendum approval of debt to 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets, was comprised of the following as of December 31, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 75,624,036
Less Capital Related Debt:	
General Obligation Bonds of 2009	(9,800,000)
General Obligation Refunding Bonds of 2009B	(2,920,000)
Taxable General Obligation Bonds of 2009C	(2,650,000)
General Obligation Refunding Bonds of 2011B	(5,055,000)
General Obligation Refunding Bonds of 2012C	(2,365,000)
IEPA Flood Loan (L17-0856) Contract Payable of 1994	(38,320)
IEPA Flood Loan (L17-0744) Contract Payable of 1994	(372,184)
IEPA Flood Loan (L17-0857) Contract Payable of 1994	(230,827)
IEPA Flood Loan (L17-0855) Contract Payable of 1997	(373,445)
IEPA Flood Loan (L17-1087) Contract Payable of 1999	(692,048)
Installment Note Payable of 2012	(2,500,000)
Unamortized Bond Premium	<u>(105,855)</u>
Net Investment in Capital Assets	<u>\$ 48,521,357</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 26,566,375</u>
Component Unit - Public Library	
Capital Assets - Net of Accumulated Depreciation	\$ 15,553,842
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2006	(9,715,000)
General Obligation Refunding Bonds of 2011A	(3,975,000)
Unamortized Bond Discount	<u>304,151</u>
	<u>\$ 2,167,993</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/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	Totals
Fund Balances					
Nonspendable	\$ 98,150	\$ 136,097	\$ -	\$ 8,017	\$ 242,264
Restricted					
Refuse Disposal	-	2,219,651	-	-	2,219,651
Debt Service	-	-	135,817	-	135,817
Highways and Streets	-	-	-	509,470	509,470
Business District	-	-	-	434,120	434,120
Public Safety	-	-	-	326,657	326,657
	-	2,219,651	135,817	1,270,247	3,625,715
Assigned - Capital Projects	-	-	-	7,525,930	7,525,930
Unassigned	11,466,179	-	-	(664)	11,465,515
Total Fund Balances	\$ 11,564,329	\$ 2,355,748	\$ 135,817	\$ 8,803,530	\$ 22,859,424

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

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 Board and/or Village Manager (by authorization in the fund balance policy) 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 should maintain an unrestricted fund balance level between 20% to 30% of the subsequent fiscal year’s expenditures, the special revenue funds (except the CDBG Fund) should maintain a fund balance level between 10% and 25% of the annual budgeted expenditures, not including capital, debt service and transfers, the Debt Service Fund should maintain a fund balance level at a maximum of the amount of the next principal and interest payment due, and the Capital Projects Fund should maintain a fund balance level between 25% and 50% of the five-year average for capital expenditures supported by the fund to a maximum of \$1 million.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, 2012 was \$1,245,810.

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

	Auto	Workers' Compensation	General Liability	Totals
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
Incurred Claims	(53,002)	777,855	-	724,853
Claims Paid	(19,432)	(634,267)	-	(653,699)
Claims Payable - December 31, 2012	\$ 3,500	\$ 1,242,310	\$ -	\$ 1,245,810

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, 2012

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 \$74,613 to HELP in 2012. For 2013, the Village estimates it will pay \$74,697.

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 2013 the Village estimates it will pay SWANCC \$1,246,169, 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, 2012**

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, 2012 are as follows:

	<u>Percent Share</u>
Village of Elk Grove Village	16.80 %
Village of Hanover Park	9.00
Village of Hoffman Estates	16.55
Village of Mount Prospect	11.67
City of Rolling Meadows	7.53
Village of Schaumburg	28.29
Village of Streamwood	<u>10.16</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, 2012

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, 2012:

Current Assets	\$ 12,084,455	Current Liabilities	\$ 4,675,472
Noncurrent Assets		Long-Term Liabilities	74,990,050
Capital Assets	47,355,448	Total Liabilities	<u>79,665,522</u>
Other Assets	<u>26,532,875</u>	Net Position	<u>\$ 6,307,256</u>
Total Assets	<u>\$ 85,972,778</u>		

Summary of revenues, expenses and changes in net position for the year ended April 30, 2012:

Operating Revenues	\$ 32,266,959
Operating Expenses	<u>27,493,399</u>
Operating Income	4,773,560
Nonoperating Revenue (Expenses)	<u>(2,803,643)</u>
Change in Net Position	1,969,917
Net Position - Beginning	<u>4,337,339</u>
Net Position - Ending	<u>\$ 6,307,256</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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 \$4,595,724 to JAWA for the year ended December 31, 2012. All payments were paid from the Water and Sewer Fund. The Village’s share of net assets of JAWA was \$661,727 at December 31, 2012.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, 2012

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 \$1,266,209 to SWANCC for the year ended December 31, 2012, 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. A separate report is issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 50 S. Emerson St. Mount Prospect, Illinois 60056. 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, 2012

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 annual required contribution rate for calendar year 2012 was 11.48 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, 2011 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	67
Current Employees	
Vested	55
Nonvested	<u>25</u>
	<u>147</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – 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, 2012

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, 2011 the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	64
Current Employees	
Vested	47
Nonvested	<u>19</u>
	<u>130</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, 2012

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.

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, 2012

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, 2012, the Police Pension Fund's investments in Vanguard 500 Index, LSV Value Equity Fund, Pioneer Equity Income Fund, and T Rowe Price Growth Fund 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 net pension obligation/(asset) for each plan as of December 31, 2012 is as follows:

	IMRF	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 1,715,043	\$ 2,484,859	\$ 2,224,122	\$ 6,424,024
Interest on Net Pension Obligation	33,700	(29,227)	16,368	20,841
Adjustment to Annual Required Contribution	(24,089)	(106,263)	(87,919)	(218,271)
Annual Pension Cost	1,724,654	2,349,369	2,152,571	6,226,594
Actual Contribution	1,715,043	2,511,349	2,260,834	6,487,226
Increase (Decrease) in the NPO	9,611	(161,980)	(108,263)	(260,632)
NPO - Beginning of Year	449,338	(372,685)	193,807	270,460
NPO - End of Year	\$ 458,949	\$ (534,665)	\$ 85,544	\$ 9,828

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Notes to the Financial Statements
December 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village’s actuarial assumptions and related information for each plan is as follows:

	IMRF	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	11.48%	34.32%	36.307%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2011
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	29 Years	29 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, 2012**

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)/(asset) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	<u>Year</u>	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual Pension Cost (APC)	2010	\$ 1,792,977	\$ 2,145,268	\$ 1,815,848
	2011	1,739,906	2,433,163	2,123,952
	2012	1,724,654	2,349,369	2,152,571
Actual Contributions	2010	1,477,280	2,210,670	1,928,807
	2011	1,606,265	2,504,701	2,155,975
	2012	1,715,043	2,511,349	2,260,834
Percentage of APC Contributed	2010	82.39%	103.05%	106.22%
	2011	92.32%	102.94%	101.51%
	2012	99.44%	106.89%	105.03%
Net Pension Obligation/ (Asset)	2010	315,697	(301,147)	225,830
	2011	449,338	(372,685)	193,807
	2012	458,949	(534,665)	85,544

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements
December 31, 2012

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:

	IMRF	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2011
Percent Funded	77.81%	56.40%	60.70%
Accuarial Accrued Liability for Benefits	\$46,229,045	\$79,366,157	\$72,307,211
Actuarial Value of Assets	\$35,970,552	\$44,777,147	\$43,864,976
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$10,258,493)	(\$34,589,010)	(\$28,442,235)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$14,939,401	\$7,591,498	\$6,201,120
Ratio of UAAL to Covered Payroll	68.67%	455.63%	458.66%

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, 2012

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, 2012, retirees contributed \$615,191.

At December 31, 2012, 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, 2012**

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, 2012, was calculated as follows:

Annual Required Contribution	\$ 442,722
Interest on the NPO	22,762
Adjustment to the ARC	<u>(15,175)</u>
Annual OPEB Cost	450,309
Actual Contribution	<u>609,856</u>
Increase in the NPO	(159,547)
NOPEBO - Beginning of Year	<u>455,249</u>
NOPEBO - End of Year	<u>\$ 295,702</u>

Trend Information

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

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 277,586	\$ 254,814	91.80%	\$ 432,097
2011	277,966	254,814	91.67%	455,249
2012	450,309	609,856	135.43%	295,702

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Notes to the Financial Statements December 31, 2012

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, 2012, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefits Plan
- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Refuse Disposal – 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, 2012

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)
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%
2012	35,970,552	46,229,045	77.81%	10,258,493	14,939,401	68.67%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2012	1,715,043	1,715,043	100.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2012**

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	\$ 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%
2011	44,777,147	79,366,157	56.42%	34,589,010	7,591,498	455.63%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2012	2,511,349	2,484,859	101.07%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2012**

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	\$ 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%
2011	43,864,976	72,307,211	60.66%	28,442,235	6,201,120	458.66%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
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%
2012	2,260,834	2,224,122	101.65%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Other Post-Employment Benefits Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2012**

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)
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%
2012	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2012	609,856	442,722	137.75%

The Village implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008 and had a subsequent actuarial valuation performed for the fiscal year ended December 31, 2010. Information for prior years is not available. The Village is required to have the actuarial valuation performed biannually.

N/A - Not Available

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 19,180,500	\$ 19,941,500	\$ 19,486,059
Licenses, Permits and Fees	3,232,500	3,673,500	3,657,586
Intergovernmental	16,597,000	16,944,000	17,052,986
Charges for Services	1,757,644	1,747,644	1,741,906
Fines and Forfeits	492,000	742,000	403,036
Interest	25,000	25,000	29,927
Miscellaneous	262,838	238,900	246,223
Total Revenues	<u>41,547,482</u>	<u>43,312,544</u>	<u>42,617,723</u>
Expenditures			
General Government	5,092,999	5,470,393	5,412,688
Public Safety	27,852,796	28,148,779	27,971,477
Highway and Streets	6,458,347	6,715,394	6,307,158
Health	150,196	150,196	143,295
Welfare	1,560,437	1,690,415	1,624,282
Culture and Recreation	432,707	409,972	399,366
Total Expenditures	<u>41,547,482</u>	<u>42,585,149</u>	<u>41,858,266</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 727,395</u>	759,457
Fund Balance - Beginning			<u>10,804,872</u>
Fund Balance - Ending			<u>\$ 11,564,329</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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 1,807,000	\$ 1,807,000	\$ 1,795,227
Charges for Services	2,660,650	2,670,650	2,675,204
Interest	1,000	1,000	-
Miscellaneous	500	500	1,057
Total Revenues	<u>4,469,150</u>	<u>4,479,150</u>	<u>4,471,488</u>
Expenditures			
Health			
Refuse Disposal Division			
Personal Services	237,856	237,856	225,050
Employee Benefits	85,351	91,201	78,876
Other Employee Costs	2,700	4,833	3,531
Contractual Services	4,022,673	3,969,473	3,892,770
Utilities	572	572	311
Insurance	27,331	27,331	27,331
Commodities and Supplies	33,737	38,537	34,020
Total Expenditures	<u>4,410,220</u>	<u>4,369,803</u>	<u>4,261,889</u>
Net Change in Fund Balance	<u>\$ 58,930</u>	<u>\$ 109,347</u>	209,599
Fund Balance - Beginning			<u>2,146,149</u>
Fund Balance - Ending			<u>\$ 2,355,748</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, 2012**

	Budget		Actual
	Original	Final	
Taxes			
Property - General	\$ 7,381,000	\$ 7,381,000	\$ 7,347,115
Property - Police Pension	2,485,000	2,485,000	2,448,125
Property - Firefighters' Pension	2,225,000	2,225,000	2,196,374
Road and Bridge Taxes	115,500	115,500	107,596
Increment Taxes	-	85,000	84,883
Auto Rental Tax	12,000	12,000	14,381
Food and Beverage Tax	840,000	695,000	710,328
Real Estate Transfer Tax	400,000	516,000	515,330
Hotel/Motel Tax	180,000	180,000	191,156
Telecommunications Tax	2,525,000	3,230,000	3,034,829
Home Rule Sales Tax	1,215,000	1,215,000	1,212,506
Gas Utility Tax	605,000	605,000	452,831
Electric Utility Tax	1,197,000	1,197,000	1,170,605
Total Taxes	19,180,500	19,941,500	19,486,059
Licenses, Permits and Fees			
Vehicle License Fees	1,405,000	1,405,000	1,383,836
Liquor Licenses	150,000	150,000	159,919
Business Licenses	160,000	145,000	140,367
Contractor Licenses	35,000	35,000	35,490
Alarm Licenses	16,000	16,000	16,920
Elevator Licenses	20,000	20,000	26,125
Building Permit Fees	400,000	856,000	808,302
Electrical Permit Fees	15,000	15,000	10,601
Plumbing Permit Fees	25,000	25,000	21,919
Permit Penalties	5,000	5,000	-
Reinspection Fees	65,000	65,000	72,813
Vacant Structure Registration Fees	1,000	1,000	9,000
Truck Permit Fees	500	500	785
Utility Permit Fees	4,000	4,000	4,550
Plan Examination Fees	20,000	20,000	11,010
Stormwater Det Fee	-	-	10,444
Street Opening Fees	2,000	2,000	2,700
ZBA Hearing Fees	5,000	5,000	16,400

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Licenses, Permits and Fees - Continued			
Public Improvement Inspection Permit	\$ -	\$ -	\$ 11,517
False Alarm Fees	10,000	10,000	7,335
Landlord/Tenant Fees	265,000	265,000	273,515
Cable TV Franchise Fees	629,000	629,000	634,038
Total Licenses, Permits and Fees	3,232,500	3,673,500	3,657,586
Intergovernmental			
State Sales Tax	10,890,000	11,047,000	11,040,403
State Income Tax	4,430,000	4,590,000	4,759,513
State Use Tax	836,000	836,000	836,712
Charitable Games Tax	2,000	2,000	4,090
Replacement Taxes	382,500	382,500	351,342
Replacement Taxes - Road and Bridge	7,000	7,000	6,944
Grant - Tobacco Enforcement	4,400	4,400	4,180
Grant - Body Armor	9,850	9,850	4,828
Grant - Illinois Housing Development Authority	10,000	10,000	-
Grant - SHAP	250	250	590
Grant - EAB	-	30,000	30,000
Grant - Other	25,000	25,000	14,384
Total Intergovernmental	16,597,000	16,944,000	17,052,986
Charges for Services			
Water and Sewer Service Charge	500,000	500,000	500,000
Parking Service Charge	45,500	45,500	45,500
Maintenance of State Highways	89,619	89,619	90,932
Ambulance Transport Fees	810,000	800,000	806,071
Forest River Rural FPD	45,000	45,000	42,711
Cable Programming Fees	26,125	26,125	23,599
Other Programs	27,200	27,200	28,112
Special Detail Revenue	40,000	40,000	37,150
Police Training Revenue	15,000	15,000	16,762
Fire Training Revenue	20,000	20,000	13,060
Lease Payments - Cell Towers	123,000	123,000	121,808
General Store Lease	16,200	16,200	16,201
Total Charges for Services	1,757,644	1,747,644	1,741,906

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Fines and Forfeitures			
Fines - Parking	\$ 225,000	\$ 170,000	\$ 161,083
Fines - Local Ordinances	5,000	5,000	4,655
Fines - Code Enforcement	20,000	20,000	14,240
Fines - Circuit Court	215,000	170,000	161,233
Fines - Parental Responsibility	2,000	2,000	2,700
Forfeited Escrow Funds	25,000	375,000	59,125
Total Fines and Forfeitures	492,000	742,000	403,036
Interest			
Investment Income	23,500	23,500	28,482
Interest - Escrow Funds	1,500	1,500	1,445
Total Interest	25,000	25,000	29,927
Miscellaneous			
Home Delivered Meals			
Reimburse - H/S Youth Officer	69,500	69,500	74,131
Reimburse - Mount Prospect Library	24,000	24,000	22,849
Shared Cost - Sidewalk	10,000	10,000	-
Shared Cost - Tree Replacement	10,000	36,000	35,728
Reimburse - Village Property	30,000	30,000	22,124
Other Reimbursements	1,000	1,000	13,195
Human Services Revenue	17,400	17,400	16,314
Fire and Police Reports	6,000	6,000	5,617
Animal Release Fees	500	500	670
Subpoena Fees	1,500	1,500	755
Advertising Revenue	10,000	10,000	9,750
Other Revenue	82,938	33,000	45,090
Total Miscellaneous	262,838	238,900	246,223
Total Revenues	\$ 41,547,482	\$ 43,312,544	\$ 42,617,723

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government			
Public Representation - Administration	\$ 118,553	\$ 118,553	\$ 110,257
Village Administration	2,763,935	3,100,443	3,106,851
Finance Department	1,494,533	1,531,029	1,505,295
Community Development - Administration	669,973	674,363	644,281
Benefit Payments	46,005	46,005	46,004
Total General Government	<u>5,092,999</u>	<u>5,470,393</u>	<u>5,412,688</u>
Public Safety			
Community Development - Code Enforcement	779,202	779,202	739,004
Police Department	15,196,790	15,397,424	15,286,394
Fire Department	11,876,804	11,972,153	11,946,079
Total Public Safety	<u>27,852,796</u>	<u>28,148,779</u>	<u>27,971,477</u>
Highways and Streets			
Public Works Department	6,458,347	6,715,394	6,307,158
Health			
Community Development - Health	150,196	150,196	143,295
Welfare			
Human Services Department	1,002,730	1,129,094	1,086,051
Community Development - Housing	557,707	561,321	538,231
Total Welfare	<u>1,560,437</u>	<u>1,690,415</u>	<u>1,624,282</u>
Culture and Recreation			
Public Representation - Community and Civic Services	432,707	409,972	399,366
Total Expenditures	<u>\$ 41,547,482</u>	<u>\$ 42,585,149</u>	<u>\$ 41,858,266</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government			
Public Representation - Administration			
Mayor and Board of Trustees			
Personal Services	\$ 31,225	\$ 31,225	\$ 31,405
Employee Benefits	5,863	5,863	5,885
Other Employee Costs	1,950	1,950	1,897
Contractual Services	69,290	69,290	64,417
Utilities	455	455	424
Commodities and Supplies	3,000	3,000	838
	<u>111,783</u>	<u>111,783</u>	<u>104,866</u>
Advisory Boards and Commissions			
Personal Services	3,500	3,500	3,603
Employee Benefits	1,670	1,670	1,685
Contractual Services	1,000	1,000	103
Commodities and Supplies	600	600	-
	<u>6,770</u>	<u>6,770</u>	<u>5,391</u>
Total Public Representation - Administration	<u>118,553</u>	<u>118,553</u>	<u>110,257</u>
Village Administration			
Village Manager's Office			
Personal Services	420,691	422,726	431,005
Employee Benefits	145,106	145,106	151,646
Other Employee Costs	44,002	49,154	44,821
Contractual Services	8,015	8,015	7,469
Utilities	4,277	4,277	3,571
Commodities and Supplies	5,550	5,550	4,578
Capital Expenditures	300	300	300
	<u>627,941</u>	<u>635,128</u>	<u>643,390</u>
Legal Services			
Contractual Services	<u>447,250</u>	<u>727,250</u>	<u>825,167</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Administration - Continued			
Human Resources			
Personal Services	\$ 174,748	\$ 174,804	\$ 179,738
Employee Benefits	63,281	63,281	60,825
Other Employee Costs	48,850	52,393	11,580
Contractual Services	5,100	3,805	1,775
Commodities and Supplies	200	200	180
	<u>292,179</u>	<u>294,483</u>	<u>254,098</u>
Information Technology			
Personal Services	352,560	349,760	348,140
Employee Benefits	116,288	116,288	120,449
Other Employee Costs	8,000	27,145	26,133
Contractual Services	391,490	391,490	349,544
Utilities	3,850	4,780	5,011
Commodities and Supplies	4,150	4,150	2,512
Capital Expenditures	5,100	4,170	3,627
	<u>881,438</u>	<u>897,783</u>	<u>855,416</u>
Public Information			
Personal Services	64,687	64,687	65,102
Employee Benefits	28,709	28,709	28,848
Other Employee Costs	1,200	1,200	776
Contractual Services	84,600	107,150	113,787
Utilities	-	650	1,486
Commodities and Supplies	1,700	1,300	1,284
	<u>180,896</u>	<u>203,696</u>	<u>211,283</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Village Administration - Continued			
Television Services Division			
Personal Services	\$ 86,240	\$ 86,240	\$ 88,140
Employee Benefits	34,228	34,228	35,513
Other Employee Costs	3,050	4,201	3,773
Contractual Services	31,116	31,116	19,360
Utilities	1,600	1,600	1,554
Commodities and Supplies	5,500	5,500	3,936
Capital Expenditures	6,600	6,600	5,776
	<u>168,334</u>	<u>169,485</u>	<u>158,052</u>
Computer Hardware/Software			
Capital Expenditures	18,900	18,900	10,552
Village Clerk's Office			
Administration and Support			
Personal Services	78,007	78,031	79,745
Employee Benefits	31,401	31,401	32,968
Other Employee Costs	5,415	6,937	5,600
Contractual Services	29,625	34,800	28,897
Utilities	1,549	1,549	777
Commodities and Supplies	1,000	1,000	906
	<u>146,997</u>	<u>153,718</u>	<u>148,893</u>
Total Village Administration	<u>2,763,935</u>	<u>3,100,443</u>	<u>3,106,851</u>
Finance Department			
Administration and Support			
Personal Services	119,321	119,321	119,948
Employee Benefits	34,162	34,162	34,375
Other Employee Costs	15,500	14,650	8,952
Contractual Services	134,350	148,950	154,814
Utilities	5,220	4,720	4,644
Commodities and Supplies	19,750	20,500	18,024
Capital Expenditures	1,000	1,000	-
	<u>329,303</u>	<u>343,303</u>	<u>340,757</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
General Government - Continued			
Finance Department - Continued			
Accounting			
Personal Services	\$ 315,480	\$ 315,480	\$ 306,819
Employee Benefits	141,043	141,043	134,568
Contractual Services	4,005	4,005	2,540
Commodities and Supplies	5,150	5,150	1,260
	<u>465,678</u>	<u>465,678</u>	<u>445,187</u>
Insurance			
Personal Services	32,428	32,428	32,609
Employee Benefits	9,934	9,934	10,085
Other Employee Costs	-	604	602
Insurance	159,712	159,712	181,469
	<u>202,074</u>	<u>202,678</u>	<u>224,765</u>
Customer Service			
Personal Services	295,941	295,941	287,036
Employee Benefits	115,184	115,184	113,463
Other Employee Costs	-	1,892	1,890
Contractual Services	48,000	68,000	57,072
Commodities and Supplies	12,100	12,100	8,885
	<u>471,225</u>	<u>493,117</u>	<u>468,346</u>
Cash Management			
Personal Services	22,037	22,037	22,120
Employee Benefits	4,216	4,216	4,120
	<u>26,253</u>	<u>26,253</u>	<u>26,240</u>
Total Finance Department	<u>1,494,533</u>	<u>1,531,029</u>	<u>1,505,295</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Development - Administration			
Administration and Support			
Personal Services	\$ 179,257	\$ 179,257	\$ 175,701
Employee Benefits	76,837	76,837	92,456
Other Employee Costs	6,950	7,021	3,324
Utilities	2,892	2,892	1,675
Commodities and Supplies	1,000	929	941
	<u>266,936</u>	<u>266,936</u>	<u>274,097</u>
Planning and Zoning			
Personal Services	175,658	175,658	171,922
Employee Benefits	75,811	75,811	69,230
Other Employee Costs	7,987	7,987	6,172
Contractual Services	23,585	27,975	16,011
Utilities	2,622	2,622	1,165
Commodities and Supplies	3,350	3,350	2,165
	<u>289,013</u>	<u>293,403</u>	<u>266,665</u>
Economic Development			
Personal Services	58,086	58,086	58,567
Employee Benefits	19,438	19,438	19,615
Other Employee Costs	1,500	1,500	250
Contractual Services	35,000	35,000	25,087
	<u>114,024</u>	<u>114,024</u>	<u>103,519</u>
Total Community Development - Administration	<u>669,973</u>	<u>674,363</u>	<u>644,281</u>
Benefit Payments			
Contractual Services	<u>46,005</u>	<u>46,005</u>	<u>46,004</u>
Total General Government	<u>5,092,999</u>	<u>5,470,393</u>	<u>5,412,688</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Public Safety			
Community Development - Code Enforcement			
Building Inspection			
Personal Services	\$ 276,150	\$ 276,150	\$ 283,729
Employee Benefits	104,022	104,022	101,465
Other Employee Costs	7,555	7,555	3,838
Contractual Services	375,531	375,531	337,952
Utilities	8,086	8,086	7,684
Commodities and Supplies	7,858	7,858	4,336
Total Community Development - Code Enforcement	779,202	779,202	739,004
Police Department			
Administration and Support			
Personal Services	400,000	400,000	412,306
Employee Benefits	2,661,406	2,665,406	2,761,722
Other Employee Costs	241,300	281,605	150,789
Contractual Services	52,000	53,800	39,521
Utilities	33,800	33,800	30,511
Commodities and Supplies	21,220	21,820	14,323
Capital Expenditures	8,000	8,000	4,232
	3,417,726	3,464,431	3,413,404
Records			
Personal Services	268,520	268,520	264,158
Employee Benefits	86,377	86,377	84,909
Other Employee Costs	-	4,423	3,673
	354,897	359,320	352,740
Patrol and Traffic Enforcement			
Personal Services	6,486,780	6,478,780	6,605,736
Employee Benefits	1,019,249	1,019,249	1,028,205
Other Employee Costs	65,250	132,188	132,188
Contractual Services	529,150	529,150	484,511
Commodities and Supplies	71,350	71,350	61,801
Capital Expenditures	7,150	7,150	6,084
	8,178,929	8,237,867	8,318,525

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Technical Services			
Personal Services	\$ 174,850	\$ 182,850	\$ 183,469
Employee Benefits	48,317	48,317	50,780
Other Employee Costs	650	4,009	4,008
	<u>223,817</u>	<u>235,176</u>	<u>238,257</u>
Auxiliary Service			
Personal Services	204,164	204,164	203,089
Employee Benefits	75,594	75,594	72,320
Other Employee Costs	650	6,584	5,934
	<u>280,408</u>	<u>286,342</u>	<u>281,343</u>
Crime Prevention and Public Services			
Personal Services	20,850	20,850	21,049
Employee Benefits	11,397	11,397	11,459
Other Employee Costs	2,500	3,289	2,263
Contractual Services	250	6,450	6,385
Commodities and Supplies	700	700	600
	<u>35,697</u>	<u>42,686</u>	<u>41,756</u>
Investigative			
Personal Services	1,528,740	1,528,740	1,464,854
Employee Benefits	270,154	270,154	245,115
Other Employee Costs	10,530	35,416	34,623
Contractual Services	20,600	22,600	19,239
Commodities and Supplies	4,550	4,550	3,308
Capital Expenditures	900	900	400
	<u>1,835,474</u>	<u>1,862,360</u>	<u>1,767,539</u>
Equipment Maintenance			
Contractual Services	846,242	846,242	834,946
Commodities and Supplies	15,300	55,300	33,536
Capital Expenditures	8,300	7,700	4,348
	<u>869,842</u>	<u>909,242</u>	<u>872,830</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Total Police Department	\$ 15,196,790	\$ 15,397,424	\$ 15,286,394
Fire Department			
Administration and Support			
Personal Services	563,281	563,281	578,066
Employee Benefits	2,409,420	2,409,420	2,498,052
Other Employee Costs	95,900	135,338	109,913
Contractual Services	22,800	23,280	20,100
Commodities and Supplies	8,000	8,645	8,268
Capital Expenditures	18,156	18,156	4,722
	<u>3,117,557</u>	<u>3,158,120</u>	<u>3,219,121</u>
Fire Department Operations			
Personal Services	6,266,784	6,266,784	6,285,191
Employee Benefits	990,997	990,997	980,040
Other Employee Costs	52,000	76,156	59,157
Contractual Services	125,350	125,350	120,261
Commodities and Supplies	24,500	23,000	17,674
Capital Expenditures	59,800	63,950	54,105
	<u>7,519,431</u>	<u>7,546,237</u>	<u>7,516,428</u>
Fire Prevention			
Personal Services	342,582	342,582	335,828
Employee Benefits	127,987	127,987	131,164
Other Employee Costs	6,250	16,155	12,931
Contractual Services	1,400	1,400	1,373
Commodities and Supplies	7,350	8,778	7,998
Capital Expenditures	300	4,800	4,438
	<u>485,869</u>	<u>501,702</u>	<u>493,732</u>
Communications			
Contractual Services	7,300	7,300	4,407
Utilities	35,000	35,000	31,660
Commodities and Supplies	1,500	1,300	1,590
Capital Expenditures	7,000	5,800	85
	<u>50,800</u>	<u>49,400</u>	<u>37,742</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Equipment Maintenance			
Contractual Services	\$ 635,509	\$ 635,509	\$ 635,509
Fire Training Academy			
Personal Services	4,951	4,951	-
Employee Benefits	161	161	-
Commodities and Supplies	5,000	5,000	425
	<u>10,112</u>	<u>10,112</u>	<u>425</u>
Emergency Preparedness			
Other Employee Costs	2,500	1,975	1,087
Contractual Services	6,710	6,710	4,456
Commodities and Supplies	12,425	16,497	8,945
	<u>21,635</u>	<u>25,182</u>	<u>14,488</u>
Paid on Call			
Personal Services	20,904	30,904	20,034
Employee Benefits	1,612	1,612	1,521
Other Employee Costs	12,375	12,375	6,093
Capital Expenditures	1,000	1,000	986
	<u>35,891</u>	<u>45,891</u>	<u>28,634</u>
Total Fire Department	<u>11,876,804</u>	<u>11,972,153</u>	<u>11,946,079</u>
Total Public Safety	<u>27,852,796</u>	<u>28,148,779</u>	<u>27,971,477</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highways and Streets			
Public Works Department			
Administration and Support			
Personal Services	\$ 209,571	\$ 209,571	\$ 216,797
Employee Benefits	97,010	97,010	125,812
Other Employee Costs	35,302	37,005	29,217
Contractual Services	909,234	909,234	908,098
Utilities	19,470	19,470	13,083
Commodities and Supplies	15,169	16,269	15,469
Capital Expenditures	1,455	1,455	836
Total Administration and Support	1,287,211	1,290,014	1,309,312
Streets and Buildings Division			
Administration			
Personal Services	97,517	97,517	97,479
Employee Benefits	35,643	35,643	36,133
Other Employee Costs	18,000	18,000	5,005
Utilities	-	-	2,376
Total Administration	151,160	151,160	140,993
Maintenance - Public Buildings			
Personal Services	399,161	399,161	408,850
Employee Benefits	132,779	135,779	144,586
Other Employee Costs	900	1,385	935
Contractual Services	364,729	364,729	237,433
Utilities	50,193	50,193	15,915
Commodities and Supplies	113,957	113,957	86,506
Other Expenditures	4,000	4,000	-
Total Maintenance - Public Buildings	1,065,719	1,069,204	894,225

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Streets and Buildings Division - Continued			
Street Maintenance			
Personal Services	\$ 116,603	\$ 116,603	\$ 115,935
Employee Benefits	30,551	30,551	32,230
Other Employee Costs	-	1,628	1,628
Contractual Services	23,185	23,185	21,270
Commodities and Supplies	25,988	25,988	20,376
	<u>196,327</u>	<u>197,955</u>	<u>191,439</u>
Snow Removal			
Personal Services	285,851	285,851	291,377
Employee Benefits	86,625	86,625	93,807
Other Employee Costs	50	4,647	4,621
Contractual Services	86,576	112,576	99,860
Commodities and Supplies	12,855	12,855	11,709
Capital Expenditures	10,000	10,000	-
	<u>481,957</u>	<u>512,554</u>	<u>501,374</u>
Storm Sewer/Basin Maintenance			
Personal Services	65,795	65,795	63,101
Employee Benefits	19,173	19,173	19,856
Other Employee Costs	-	2,442	2,442
Contractual Services	11,670	11,670	4,176
Commodities and Supplies	7,231	7,231	845
	<u>103,869</u>	<u>106,311</u>	<u>90,420</u>
Maintenance of State Highways			
Personal Services	32,654	32,654	28,629
Employee Benefits	11,045	11,045	10,897
Other Employee Costs	-	823	822
Contractual Services	17,742	17,742	12,093
Commodities and Supplies	34,445	34,445	20,418
	<u>95,886</u>	<u>96,709</u>	<u>72,859</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Streets and Buildings Division - Continued			
Traffic Sign Maintenance			
Personal Services	\$ 81,974	\$ 81,974	\$ 76,200
Employee Benefits	18,938	18,938	20,650
Other Employee Costs	-	7,246	7,245
Commodities and Supplies	15,877	15,877	14,024
	<u>116,789</u>	<u>124,035</u>	<u>118,119</u>
Emergency Event			
Personal Services	-	-	4,155
Employee Benefits	-	-	59
Contractual Services	-	6,505	-
	<u>-</u>	<u>6,505</u>	<u>4,214</u>
Total Streets and Buildings Division	<u>2,211,707</u>	<u>2,264,433</u>	<u>2,013,643</u>
Forestry Division			
Administration and Support			
Personal Services	174,371	174,371	164,800
Employee Benefits	64,049	64,049	62,375
Other Employee Costs	4,500	4,500	1,208
Commodities and Supplies	-	-	61
	<u>242,920</u>	<u>242,920</u>	<u>228,444</u>
Maintenance of Grounds			
Personal Services	257,432	257,432	260,096
Employee Benefits	89,404	89,404	92,037
Other Employee Costs	-	1,022	1,020
Contractual Services	121,486	111,486	93,858
Commodities and Supplies	8,656	8,656	8,368
Capital Expenditures	44,500	44,500	37,549
	<u>521,478</u>	<u>512,500</u>	<u>492,928</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Forestry Division - Continued			
Forestry Program			
Personal Services	\$ 308,348	\$ 308,348	\$ 318,060
Employee Benefits	107,564	107,564	111,428
Other Employee Costs	3,662	6,076	6,075
Contractual Services	482,778	624,529	553,666
Utilities	-	-	2,065
Commodities and Supplies	10,702	10,702	9,122
	<u>913,054</u>	<u>1,057,219</u>	<u>1,000,416</u>
Public Grounds Beautification			
Personal Services	25,912	25,912	26,859
Employee Benefits	8,595	8,595	9,197
Contractual Services	2,400	2,400	-
Commodities and Supplies	32,191	32,191	24,003
	<u>69,098</u>	<u>69,098</u>	<u>60,059</u>
Total Forestry Division	<u>1,746,550</u>	<u>1,881,737</u>	<u>1,781,847</u>
Engineering Division			
Engineering Services			
Personal Services	595,960	595,960	594,535
Employee Benefits	194,882	219,882	211,491
Other Employee Costs	17,552	17,584	14,635
Contractual Services	57,848	60,863	50,825
Utilities	-	-	4,407
Commodities and Supplies	7,105	7,105	4,972
Capital Expenditures	2,184	2,184	90
	<u>875,531</u>	<u>903,578</u>	<u>880,955</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highways and Streets - Continued			
Public Works Department - Continued			
Engineering Division - Continued			
Traffic Control and Street Lighting			
Personal Services	\$ 116,045	\$ 116,045	\$ 117,273
Employee Benefits	42,863	42,863	42,658
Other Employee Costs	-	320	351
Contractual Services	5,307	5,307	3,847
Utilities	74,000	74,000	34,743
Commodities and Supplies	24,750	24,750	20,156
	<u>262,965</u>	<u>263,285</u>	<u>219,028</u>
Total Engineering Division	<u>1,138,496</u>	<u>1,166,863</u>	<u>1,099,983</u>
Improvements			
Resurfacing/Curbs			
Infrastructure	17,000	17,000	8,737
Miscellaneous - Forestry			
Infrastructure	57,383	95,347	93,636
Total Improvements	<u>74,383</u>	<u>112,347</u>	<u>102,373</u>
Total Highways and Streets	<u>6,458,347</u>	<u>6,715,394</u>	<u>6,307,158</u>
Health			
Community Development - Health			
Health Inspections			
Personal Services	92,592	92,592	91,526
Employee Benefits	40,923	40,923	40,740
Other Employee Costs	3,315	3,315	1,707
Contractual Services	8,833	8,833	7,853
Utilities	2,317	2,317	642
Commodities and Supplies	2,216	2,216	827
Total Health	<u>150,196</u>	<u>150,196</u>	<u>143,295</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Welfare			
Human Services Department			
Administration and Support			
Personal Services	\$ 97,081	\$ 97,081	\$ 97,283
Employee Benefits	39,286	39,286	46,449
Other Employee Costs	7,651	8,412	3,632
Contractual Services	10,265	7,250	4,435
Utilities	9,275	9,275	7,241
Commodities and Supplies	5,400	7,382	4,606
Capital Expenditures	700	700	670
	<u>169,658</u>	<u>169,386</u>	<u>164,316</u>
Social Services			
Personal Services	255,006	255,006	246,356
Employee Benefits	85,372	85,372	85,465
Other Employee Costs	2,982	5,281	4,155
Commodities and Supplies	1,000	1,000	61
	<u>344,360</u>	<u>346,659</u>	<u>336,037</u>
Nursing/Health Services			
Personal Services	114,254	114,254	112,545
Employee Benefits	50,765	50,765	47,783
Other Employee Costs	1,591	2,491	658
Contractual Services	800	800	504
Commodities and Supplies	2,800	4,080	2,287
	<u>170,210</u>	<u>172,390</u>	<u>163,777</u>
Senior Citizen Leisure Activities			
Personal Services	19,613	19,613	19,869
Employee Benefits	7,240	7,240	7,313
Other Employee Costs	31	249	247
	<u>26,884</u>	<u>27,102</u>	<u>27,429</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Welfare - Continued			
Human Services Department - Continued			
Community Connections Center			
Personal Services	\$ 164,530	\$ 164,530	\$ 165,156
Employee Benefits	47,813	57,813	56,179
Other Employee Costs	1,360	3,787	1,243
Contractual Services	68,810	79,850	73,498
Utilities	3,245	3,805	2,420
Commodities and Supplies	4,800	7,382	3,528
Capital Expenditures	1,060	96,390	92,468
	<u>291,618</u>	<u>413,557</u>	<u>394,492</u>
Total Human Services Department	<u>1,002,730</u>	<u>1,129,094</u>	<u>1,086,051</u>
Community Development - Housing			
Housing Inspections			
Personal Services	338,272	338,272	339,924
Employee Benefits	151,893	151,893	151,220
Other Employee Costs	5,131	5,131	3,433
Contractual Services	52,564	52,564	37,637
Utilities	5,300	5,300	598
Commodities and Supplies	4,547	4,547	2,295
Capital Expenditures	-	3,614	3,124
	<u>557,707</u>	<u>561,321</u>	<u>538,231</u>
Total Community Development - Housing	<u>557,707</u>	<u>561,321</u>	<u>538,231</u>
Total Welfare	<u>1,560,437</u>	<u>1,690,415</u>	<u>1,624,282</u>
Culture and Recreation			
Public Representation - Community and Civic Services			
Community Groups and Miscellaneous			
Contractual Services	104,500	107,835	94,240
Other Expenditures	7,000	7,000	6,996
	<u>111,500</u>	<u>114,835</u>	<u>101,236</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Public Representation - Community and Civic Services - Continued			
4th of July and Civic Events			
Personal Services	\$ 111,103	\$ 111,103	\$ 123,148
Employee Benefits	33,674	33,674	35,052
Other Employee Costs	50	1,570	1,545
Contractual Services	54,795	31,291	30,345
Commodities and Supplies	37,430	44,934	44,020
	<u>237,052</u>	<u>222,572</u>	<u>234,110</u>
Holiday Decorations			
Personal Services	8,410	8,410	7,872
Employee Benefits	2,060	2,060	2,064
Contractual Services	53,390	41,800	34,172
Commodities and Supplies	17,500	17,500	17,143
	<u>81,360</u>	<u>69,770</u>	<u>61,251</u>
Blood Drive Program			
Personal Services	1,899	1,899	1,843
Employee Benefits	146	146	141
Commodities and Supplies	750	750	785
	<u>2,795</u>	<u>2,795</u>	<u>2,769</u>
Total Culture and Recreation	<u>432,707</u>	<u>409,972</u>	<u>399,366</u>
Total Expenditures	<u>\$ 41,547,482</u>	<u>\$ 42,585,149</u>	<u>\$ 41,858,266</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Refuse Disposal - Special Revenue Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Taxes			
Property - Levy	\$ 1,807,000	\$ 1,807,000	\$ 1,795,227
Charges for Services			
Single-Family Service Charges	1,275,000	1,275,000	1,341,005
Multi-Family Service Charges	983,000	983,000	913,507
Single-Family Penalties	14,000	14,000	16,237
Multi-Family Penalties	7,500	82,500	80,977
Contract Admin Fees	155,000	155,000	154,870
Refuse Stickers	225,500	160,500	168,233
Recycling Bins	650	650	375
Total Charges for Services	2,660,650	2,670,650	2,675,204
Interest	1,000	1,000	-
Miscellaneous	500	500	1,057
Total Revenues	\$ 4,469,150	\$ 4,479,150	\$ 4,471,488

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property - Levy	\$ 1,749,000	\$ 1,749,000	\$ 1,739,795
Other Taxes			
Home Rule Sales Tax	613,354	613,354	624,654
Interest	600	600	6,432
Miscellaneous			
Reimbursements	47,258	47,258	47,258
Total Revenues	<u>2,410,212</u>	<u>2,410,212</u>	<u>2,418,139</u>
Expenditures			
Debt Service			
Principal Retirement	1,479,732	1,479,732	1,479,732
Interest and Fiscal Charges	929,463	943,063	959,812
Total Expenditures	<u>2,409,195</u>	<u>2,422,795</u>	<u>2,439,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,017</u>	<u>(12,583)</u>	<u>(21,405)</u>
Other Financing Sources (Uses)			
Refunding Debt Issuance	-	-	2,975,000
Payments to Escrow Agent	-	-	(2,949,150)
	<u>-</u>	<u>-</u>	<u>25,850</u>
Net Change in Fund Balance	<u>\$ 1,017</u>	<u>\$ (12,583)</u>	4,445
Fund Balance - Beginning			<u>131,372</u>
Fund Balance - Ending			<u>\$ 135,817</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, 2012**

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 1,179,343	\$ 6,657,075	\$ 7,836,418
Receivables - Net of Allowances			
Property Taxes	-	236,399	236,399
Other Taxes	245,406	802,076	1,047,482
Other	10,369	-	10,369
Due from Other Governments	298,978	58,495	357,473
Prepays	3,017	5,000	8,017
Total Assets	\$ 1,737,113	\$ 7,759,045	\$ 9,496,158
LIABILITIES			
Accounts Payable	\$ 140,000	\$ 203,038	\$ 343,038
Accrued Payroll	2,266	-	2,266
Other Payables	322,247	25,077	347,324
Total Liabilities	464,513	228,115	692,628
FUND BALANCES			
Nonspendable	3,017	5,000	8,017
Restricted	1,270,247	-	1,270,247
Assigned	-	7,525,930	7,525,930
Unassigned	(664)	-	(664)
Total Fund Balances	1,272,600	7,530,930	8,803,530
Total Liabilities and Fund Balances	\$ 1,737,113	\$ 7,759,045	\$ 9,496,158

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2012**

	Special Revenue	Capital Projects	Totals
Revenues			
Taxes	\$ 838,626	\$ 6,001,328	\$ 6,839,954
Intergovernmental	1,747,266	62,575	1,809,841
Interest	10	122	132
Miscellaneous	166,695	168,659	335,354
Total Revenues	2,752,597	6,232,684	8,985,281
Expenditures			
General Government	414,587	-	414,587
Public Safety	51,466	-	51,466
Highways and Streets	1,427,027	-	1,427,027
Welfare	284,780	-	284,780
Capital Outlay	-	4,761,739	4,761,739
Total Expenditures	2,177,860	4,761,739	6,939,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	574,737	1,470,945	2,045,682
Other Financing Sources			
Debt Issuance	-	2,500,000	2,500,000
Net Change in Fund Balances	574,737	3,970,945	4,545,682
Fund Balances - Beginning	697,863	3,559,985	4,257,848
Fund Balances - Ending	\$ 1,272,600	\$ 7,530,930	\$ 8,803,530

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet
December 31, 2012**

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	DEA Shared Funds
ASSETS				
Cash and Investments	\$ 505,618	\$ 46,115	\$ 40,479	\$ 4,919
Receivables - Net of Allowances				
Other Taxes	112,127	-	-	-
Other	1,267	-	-	-
Due from Other Governments	12,392	286,586	-	-
Prepays	-	664	-	-
Total Assets	<u>\$ 631,404</u>	<u>\$ 333,365</u>	<u>\$ 40,479</u>	<u>\$ 4,919</u>
LIABILITIES				
Accounts Payable	\$ 121,934	\$ 8,852	\$ -	\$ -
Accrued Payroll	-	2,266	-	-
Other Payables	-	322,247	-	-
Total Liabilities	<u>121,934</u>	<u>333,365</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	664	-	-
Restricted	509,470	-	40,479	4,919
Unassigned	-	(664)	-	-
Total Fund Balances	<u>509,470</u>	<u>-</u>	<u>40,479</u>	<u>4,919</u>
Total Liabilities and Fund Balances	<u>\$ 631,404</u>	<u>\$ 333,365</u>	<u>\$ 40,479</u>	<u>\$ 4,919</u>

DUI Fines	Foreign Fire Insurance	Justice Assistance Grant	Business District	Totals
\$ 46,329	\$ 226,543	\$ 8,499	\$ 300,841	\$ 1,179,343
-	-	-	133,279	245,406
9,102	-	-	-	10,369
-	-	-	-	298,978
-	2,353	-	-	3,017
<u>\$ 55,431</u>	<u>\$ 228,896</u>	<u>\$ 8,499</u>	<u>\$ 434,120</u>	<u>\$ 1,737,113</u>
\$ -	\$ 1,550	\$ 7,664	\$ -	\$ 140,000
-	-	-	-	2,266
-	-	-	-	322,247
-	1,550	7,664	-	464,513
-	2,353	-	-	3,017
55,431	224,993	835	434,120	1,270,247
-	-	-	-	(664)
<u>55,431</u>	<u>227,346</u>	<u>835</u>	<u>434,120</u>	<u>1,272,600</u>
<u>\$ 55,431</u>	<u>\$ 228,896</u>	<u>\$ 8,499</u>	<u>\$ 434,120</u>	<u>\$ 1,737,113</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, 2012

	Motor Fuel Tax	Community Development Block Grant	Asset Seizure	DEA Shared Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,578,881	139,307	1,107	-
Interest	-	-	-	10
Miscellaneous	21,222	145,473	-	-
Total Revenues	1,600,103	284,780	1,107	10
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	-	14,628	-
Highways and Streets	1,427,027	-	-	-
Welfare	-	284,780	-	-
Total Expenditures	1,427,027	284,780	14,628	-
Net Change in Fund Balances	173,076	-	(13,521)	10
Fund Balances - Beginning	336,394	-	54,000	4,909
Fund Balances - Ending	\$ 509,470	\$ -	\$ 40,479	\$ 4,919

DUI Fines	Foreign Fire Insurance	Justice Assistance Grant	Business District	Totals
\$ -	\$ 67,114	\$ -	\$ 771,512	\$ 838,626
27,971	-	-	-	1,747,266
-	-	-	-	10
-	-	-	-	166,695
27,971	67,114	-	771,512	2,752,597
-	-	-	414,587	414,587
16,672	10,798	9,368	-	51,466
-	-	-	-	1,427,027
-	-	-	-	284,780
16,672	10,798	9,368	414,587	2,177,860
11,299	56,316	(9,368)	356,925	574,737
44,132	171,030	10,203	77,195	697,863
\$ 55,431	\$ 227,346	\$ 835	\$ 434,120	\$ 1,272,600

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 1,690,000	\$ 1,690,000	\$ 1,578,881
Interest	500	500	-
Miscellaneous	20,500	20,500	21,222
Total Revenues	<u>1,711,000</u>	<u>1,711,000</u>	<u>1,600,103</u>
Expenditures			
Highway and Streets			
Street Division	<u>1,580,302</u>	<u>1,632,463</u>	<u>1,427,027</u>
Net Change in Fund Balance	<u>\$ 130,698</u>	<u>\$ 78,537</u>	173,076
Fund Balance - Beginning			<u>336,394</u>
Fund Balance - Ending			<u>\$ 509,470</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Highway and Streets			
Street Maintenance			
Contractual Services	\$ 99,432	\$ 99,432	\$ 46,982
Snow Removal			
Commodities and Supplies	200,000	235,000	231,527
Traffic Control/Street Lighting			
Contractual Services	86,870	86,870	79,634
Utilities	150,000	150,000	150,000
Total Traffic Control/Street Lighting	236,870	236,870	229,634
Street Improvement Projects			
Infrastructure	1,044,000	1,061,161	918,884
Total Expenditures	\$ 1,580,302	\$ 1,632,463	\$ 1,427,027

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental Grant - CDBG	\$ 353,543	\$ 167,750	\$ 139,307
Miscellaneous Program Income	60,000	185,000	145,473
Total Revenues	<u>413,543</u>	<u>352,750</u>	<u>284,780</u>
Expenditures			
Welfare			
Administration	101,543	83,257	64,927
Community Programs	47,000	39,480	39,480
Residential Rehabilitation	190,000	155,013	111,060
CDBG Programs	75,000	75,000	69,313
Total Expenditures	<u>413,543</u>	<u>352,750</u>	<u>284,780</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</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, 2012**

	Budget		Actual
	Original	Final	
Welfare			
Administration and Support			
Personal Services	\$ 65,019	\$ 48,583	\$ 38,175
Employee Benefits	29,838	27,988	21,946
Other Employee Costs	1,000	1,000	475
Contractual Services	5,186	5,186	4,130
Commodities and Supplies	500	500	201
Total Administration and Support	101,543	83,257	64,927
Community Programs			
Contractual Services	47,000	39,480	39,480
Residential Rehabilitation			
Personal Services	-	-	10,905
Employee Benefits	-	-	2,086
Contractual Services	30,000	59,556	25,000
Other Expenditures	160,000	95,457	73,069
Total Residential Rehabilitation	190,000	155,013	111,060
CDBG Programs			
Briarwood Project			
Contractual Services	25,000	25,000	24,863
Capital Expenditures	50,000	50,000	44,450
Total CDBG Programs	75,000	75,000	69,313
Total Expenditures	\$ 413,543	\$ 352,750	\$ 284,780

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Seized Assets	\$ 3,000	\$ 3,000	\$ 1,107
Interest	500	500	-
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>1,107</u>
Expenditures			
Public Safety			
Other Employee Costs	1,000	1,000	-
Contractual Services	1,500	1,500	500
Capital Expenditures	1,000	14,508	14,128
Total Expenditures	<u>3,500</u>	<u>17,008</u>	<u>14,628</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (13,508)</u>	(13,521)
Fund Balance - Beginning			<u>54,000</u>
Fund Balance - Ending			<u>\$ 40,479</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DEA Shared Funds	\$ 2,500	\$ 2,500	\$ -
Interest	500	500	10
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>10</u>
Expenditures			
Public Safety			
Contractual Services	1,000	1,000	-
Commodities and Supplies	1,000	1,000	-
Capital Expenditures	1,000	1,000	-
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	10
Fund Balance - Beginning			<u>4,909</u>
Fund Balance - Ending			<u>\$ 4,919</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
DUI Fines	\$ 9,000	\$ 24,000	\$ 27,971
Interest	500	500	-
Total Revenues	<u>9,500</u>	<u>24,500</u>	<u>27,971</u>
Expenditures			
Public Safety			
Patrol and Traffic Enforcement			
Contractual Services	1,000	8,525	7,500
Capital Expenditures	7,500	12,400	9,172
Total Expenditures	<u>8,500</u>	<u>20,925</u>	<u>16,672</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	3,575	11,299
Other Financing (Uses)			
Transfers Out	<u>(1,000)</u>	<u>(1,000)</u>	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,575</u>	11,299
Fund Balance - Beginning			<u>44,132</u>
Fund Balance - Ending			<u>\$ 55,431</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Foreign Fire Insurance Tax	\$ 55,000	\$ 70,000	\$ 67,114
Interest	500	500	-
Total Revenues	<u>55,500</u>	<u>70,500</u>	<u>67,114</u>
Expenditures			
Public Safety			
Insurance	500	500	417
Contractual Services	10,000	10,000	2,830
Commodities and Supplies	3,000	6,000	6,492
Equipment	15,000	15,000	1,059
Total Expenditures	<u>28,500</u>	<u>31,500</u>	<u>10,798</u>
Net Change in Fund Balance	<u>\$ 27,000</u>	<u>\$ 39,000</u>	56,316
Fund Balance - Beginning			<u>171,030</u>
Fund Balance - Ending			<u>\$ 227,346</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Byrne Justice Grant	\$ -	\$ -	\$ -
Expenditures			
Public Safety	-	13,599	9,368
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (13,599)</u>	(9,368)
Fund Balance - Beginning			<u>10,203</u>
Fund Balance - Ending			<u>\$ 835</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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Food and Beverage Tax	\$ -	\$ 282,900	\$ 245,378
Hotel/Motel Tax	-	114,000	113,644
Movie Theatre Tax	-	119,200	128,784
Busines District Tax	-	228,700	283,706
Total Revenues	-	744,800	771,512
Expenditures			
General Government	-	414,587	414,587
Net Change in Fund Balance	\$ -	\$ 330,213	356,925
Fund Balance - Beginning			77,195
Fund Balance - Ending			\$ 434,120

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet
December 31, 2012

	Capital Improvement	Series 2009 Construction
ASSETS		
Cash and Investments	\$ 2,102,261	\$ 36,858
Receivables - Net of Allowances		
Property Taxes	-	-
Other Taxes	298,566	-
Due from Other Governments	1,960	-
Prepays	5,000	-
Total Assets	<u>\$ 2,407,787</u>	<u>\$ 36,858</u>
LIABILITIES		
Accounts Payable	\$ 114,565	\$ -
Other Payables	-	-
Total Liabilities	<u>114,565</u>	<u>-</u>
FUND BALANCES		
Nonspendable	5,000	-
Assigned	2,288,222	36,858
Total Fund Balances	<u>2,293,222</u>	<u>36,858</u>
Total Liabilities and Fund Balances	<u>\$ 2,407,787</u>	<u>\$ 36,858</u>

Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
\$ 1,161,048	\$ 3,333,370	\$ 23,538	\$ 6,657,075
236,399	-	-	236,399
-	148,545	354,965	802,076
-	56,535	-	58,495
-	-	-	5,000
<u>\$ 1,397,447</u>	<u>\$ 3,538,450</u>	<u>\$ 378,503</u>	<u>\$ 7,759,045</u>
\$ 35,250	\$ 9,162	\$ 44,061	\$ 203,038
77	25,000	-	25,077
<u>35,327</u>	<u>34,162</u>	<u>44,061</u>	<u>228,115</u>
-	-	-	5,000
1,362,120	3,504,288	334,442	7,525,930
<u>1,362,120</u>	<u>3,504,288</u>	<u>334,442</u>	<u>7,530,930</u>
<u>\$ 1,397,447</u>	<u>\$ 3,538,450</u>	<u>\$ 378,503</u>	<u>\$ 7,759,045</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, 2012**

	<u>Capital Improvement</u>	<u>Series 2009 Construction</u>
Revenues		
Taxes		
Property Taxes	\$ -	\$ -
Other	1,112,712	-
Intergovernmental	45,290	-
Interest	-	-
Miscellaneous	50,062	-
Total Revenues	<u>1,208,064</u>	<u>-</u>
Expenditures		
Capital Outlay	<u>796,789</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	411,275	-
Other Financing Sources		
Debt Issuance	<u>-</u>	<u>-</u>
Net Change in Fund Balances	411,275	-
Fund Balances - Beginning	<u>1,881,947</u>	<u>36,858</u>
Fund Balances - Ending	<u>\$ 2,293,222</u>	<u>\$ 36,858</u>

Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals
\$ 2,751,190	\$ -	\$ -	\$ 2,751,190
-	587,853	1,549,573	3,250,138
-	-	17,285	62,575
-	122	-	122
-	113,057	5,540	168,659
2,751,190	701,032	1,572,398	6,232,684
2,683,958	47,965	1,233,027	4,761,739
67,232	653,067	339,371	1,470,945
-	2,500,000	-	2,500,000
67,232	3,153,067	339,371	3,970,945
1,294,888	351,221	(4,929)	3,559,985
\$ 1,362,120	\$ 3,504,288	\$ 334,442	\$ 7,530,930

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes			
Home Rules Sales Tax	\$ 1,115,000	\$ 1,115,000	\$ 1,112,712
Intergovernmental			
Grants	-	44,000	45,290
Interest	1,000	1,000	-
Miscellaneous			
Reimbursements	-	-	5,219
Donations	15,000	15,000	44,593
Other	-	-	250
Total Revenues	<u>1,131,000</u>	<u>1,175,000</u>	<u>1,208,064</u>
Expenditures			
Capital Outlay			
Village Facilities	110,000	257,640	151,416
Equipment	1,413,500	680,083	384,708
Public Improvements	292,500	367,450	5,500
Infrastructure	360,000	594,226	255,165
Total Expenditures	<u>2,176,000</u>	<u>1,899,399</u>	<u>796,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,045,000)	(724,399)	411,275
Other Financing Sources			
Debt Issuance	<u>937,000</u>	-	-
Net Change in Fund Balance	<u>\$ (108,000)</u>	<u>\$ (724,399)</u>	411,275
Fund Balance - Beginning			<u>1,881,947</u>
Fund Balance - Ending			<u>\$ 2,293,222</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Capital Outlay			
Village Facilities			
Other Public Buildings	\$ 95,000	\$ 242,640	\$ 146,514
Professional Services - Bike Plan EECBG	15,000	15,000	4,902
Total Village Facilities	110,000	257,640	151,416
Equipment			
Avid Edit System	34,000	34,000	7,023
Board Room Cameras	89,000	89,000	42,970
Computer Financial Software	203,000	253,983	59,613
Traffic Stop Data Collection	3,500	3,500	3,500
Equipment Furniture Replacement	114,000	157,639	138,759
Thermal Imaging Cameras	33,000	33,000	31,180
Digital Surveillance Equipment	-	7,775	3,250
Radio Equipment - Police/Fire	937,000	77,000	74,227
Grant Expenditures EECBG	-	24,186	24,186
Total Equipment	1,413,500	680,083	384,708
Public Improvement			
Building Improvements	292,500	367,450	5,500
Infrastructure			
Residential Street Lights	80,000	134,798	-
Bike Path	5,000	5,000	-
Kensington Road Improvement	100,000	279,428	118,290
Detention Pond Improvement	175,000	175,000	136,875
Total Infrastructure	360,000	594,226	255,165
Total Expenditures	\$ 2,176,000	\$ 1,899,399	\$ 796,789

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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance - Beginning			<u>36,858</u>
Fund Balance - Ending			<u>\$ 36,858</u>

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 234,000	\$ 234,000	\$ 236,399
Property Taxes - Other			
Tax Increment	2,370,000	2,370,000	2,514,791
Interest	1,000	1,000	-
Total Revenues	<u>2,605,000</u>	<u>2,605,000</u>	<u>2,751,190</u>
Expenditures			
Capital Outlay			
Public Improvements			
Contractual Services	78,000	78,000	57,638
Public Improvements	2,670,000	2,699,000	2,621,558
Infrastructure	-	26,300	4,762
Total Expenditures	<u>2,748,000</u>	<u>2,803,300</u>	<u>2,683,958</u>
Net Change in Fund Balance	<u>\$ (143,000)</u>	<u>\$ (198,300)</u>	67,232
Fund Balance - Beginning			<u>1,294,888</u>
Fund Balance - Ending			<u>\$ 1,362,120</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Downtown Redevelopment Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Contractual Services			
Audit Services	\$ 1,000	\$ 1,000	\$ 940
Other Professional Services	20,000	20,000	375
Streetscape Corridor Maintenance	57,000	57,000	56,323
Total Contractual Services	78,000	78,000	57,638
Public Improvements			
Other Financing Costs	10,000	10,000	-
Property Tax Expense	-	7,000	6,994
NWE Sales Tax Rebate	93,000	115,000	100,944
Return of Increment Cook County Collector	2,507,000	2,507,000	2,506,620
Façade Program	60,000	60,000	7,000
Total Public Improvements	2,670,000	2,699,000	2,621,558
Infrastructure			
Downtown Streetscape Program	-	21,300	-
Brick Sidewalk	-	5,000	4,762
Total Infrastructure	-	26,300	4,762
Total Expenditures	\$ 2,748,000	\$ 2,803,300	\$ 2,683,958

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Other Taxes			
Home Rule Sales Tax	\$ 601,646	\$ 601,646	\$ 587,853
Charges for Services	7,500	7,500	-
Interest	-	-	122
Miscellaneous	56,500	56,500	113,057
Total Revenues	<u>665,646</u>	<u>665,646</u>	<u>701,032</u>
Expenditures			
Capital Outlay			
Public Improvements			
Infrastructure	675,000	725,000	45,478
Other	5,150	5,710	2,487
Total Expenditures	<u>680,150</u>	<u>730,710</u>	<u>47,965</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,504)	(65,064)	653,067
Other Financing Sources			
Debt Issuance	-	2,500,000	2,500,000
Net Change in Fund Balance	<u>\$ (14,504)</u>	<u>\$ 2,434,936</u>	3,153,067
Fund Balance - Beginning			<u>351,221</u>
Fund Balance - Ending			<u>\$ 3,504,288</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Flood Control Construction - Capital Projects Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Capital Outlay			
Public Improvements			
Infrastructure			
Creek Bank Stabilization	\$ 25,000	\$ 25,000	\$ 9,365
Creek Tree Trimming	25,000	25,000	24,981
Levee 37	50,000	100,000	1,132
Prospect Meadows Flood Improvement	500,000	500,000	10,000
DCEO Hatlen Heights	75,000	75,000	-
	<u>675,000</u>	<u>725,000</u>	<u>45,478</u>
Other			
Bank Fees	-	-	25
Electricity	-	560	462
Residential Reimbursements	5,150	5,150	2,000
	<u>5,150</u>	<u>5,710</u>	<u>2,487</u>
Total Expenditures	<u>\$ 680,150</u>	<u>\$ 730,710</u>	<u>\$ 47,965</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Other Taxes			
Home Rule Sales Tax	\$ 1,215,000	\$ 1,215,000	\$ 1,212,507
Municipal Motor Fuel Tax	335,000	335,000	337,066
Intergovernmental			
DCEO Grant	-	17,500	17,285
Interest	500	500	-
Miscellaneous	5,000	5,000	5,540
Total Revenues	<u>1,555,500</u>	<u>1,573,000</u>	<u>1,572,398</u>
Expenditures			
Capital Outlay			
Contractual Services	20,000	63,828	12,103
Infrastructure			
Street Reconstruction	1,197,000	1,724,411	1,220,924
Total Expenditures	<u>1,217,000</u>	<u>1,788,239</u>	<u>1,233,027</u>
Net Change in Fund Balance	<u>\$ 338,500</u>	<u>\$ (215,239)</u>	339,371
Fund Balance - Beginning			<u>(4,929)</u>
Fund Balance - Ending			<u>\$ 334,442</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 Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 10,058,000	\$ 10,828,000	\$ 10,990,923
Operating Expenses			
Administration and Maintenance	12,007,174	13,611,158	10,671,163
Depreciation	-	-	458,779
Total Operating Expenses	12,007,174	13,611,158	11,129,942
Operating Income (Loss)	(1,949,174)	(2,783,158)	(139,019)
Nonoperating Revenues (Expenses)			
Property Taxes	1,516,000	1,516,000	1,515,605
Interest Income	3,000	3,000	517
Other Income	50,000	50,000	20,554
Disposal of Capital Assets	-	-	(50,135)
	1,569,000	1,569,000	1,486,541
Change in Net Position	\$ (380,174)	\$ (1,214,158)	1,347,522
Net Position - Beginning			31,708,474
Net Position - Ending			\$ 33,055,996

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Charges for Services			
Water Sales	\$ 6,903,000	\$ 7,673,000	\$ 7,875,343
Sewer Fees	2,223,000	2,223,000	2,085,397
Sewer Construction Charge	786,000	786,000	838,392
Water Penalties	120,000	120,000	132,650
Water Meter Fees	10,000	10,000	19,545
Water and Sewer Taps	15,000	15,000	25,115
Miscellaneous	1,000	1,000	14,481
Total Operating Revenues	<u>\$ 10,058,000</u>	<u>\$ 10,828,000</u>	<u>\$ 10,990,923</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Administration and Support			
Personal Services	\$ 374,612	\$ 374,612	\$ 379,565
Employee Benefits	183,392	183,392	204,415
Other Employee Costs	49,441	67,664	87,994
Contractual Services	625,259	625,259	620,193
Utilities	67,955	67,955	39,653
Insurance	70,098	70,098	70,098
Commodities and Supplies	11,660	11,660	8,932
Capital Expenses	7,358	7,358	6,386
Total Administration and Support	1,389,775	1,407,998	1,417,236
Maintenance of Buildings			
Personal Services	141,189	141,189	126,480
Employee Benefits	49,199	49,199	48,777
Other Employee Costs	-	990	989
Contractual Services	36,365	36,365	24,535
Utilities	12,391	12,391	3,346
Commodities and Supplies	1,123	1,123	202
Total Maintenance of Buildings	240,267	241,257	204,329
Maintenance of Grounds			
Personal Services	58,747	58,747	60,413
Employee Benefits	12,538	12,538	15,606
Other Employee Costs	300	300	150
Contractual Services	37,000	66,900	36,493
Commodities and Supplies	5,799	5,799	3,935
Total Maintenance of Grounds	114,384	144,284	116,597
Water Supply Maintenance and Repair			
Personal Services	376,447	376,447	371,372
Employee Benefits	128,935	128,935	120,850
Other Employee Costs	-	3,765	3,764
Contractual Services	104,338	104,338	72,514
Utilities	95,000	95,000	69,856
Commodities and Supplies	85,182	85,182	50,258

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Water Supply Maintenance and Repair - Continued			
Total Water Supply Maintenance and Repair	\$ 789,902	\$ 793,667	\$ 688,614
Water Distribution Maintenance and Repair			
Personal Services	268,557	268,557	276,975
Employee Benefits	77,530	77,530	84,853
Other Employee Costs	500	500	250
Contractual Services	226,137	232,087	165,998
Commodities and Supplies	69,315	64,315	52,788
Capital Expenses	1,344	1,344	1,341
Total Water Distribution Maintenance and Repair	643,383	644,333	582,205
Water Valve and Hydrant Maintenance			
Personal Services	270,902	270,902	269,478
Employee Benefits	100,878	100,878	102,949
Contractual Services	4,455	4,455	1,697
Commodities and Supplies	108,436	108,436	78,734
Total Water Valve and Hydrant Maintenance	484,671	484,671	452,858
Water Meter Installation, Repair and Replacement			
Personal Services	161,985	161,985	124,971
Employee Benefits	54,806	54,806	35,856
Other Employee Costs	-	9	8
Contractual Services	101,703	125,752	76,564
Commodities and Supplies	4,949	4,949	56,154
Capital Expenses	63,345	68,345	66,726
Total Water Meter Installation, Repair and Replacement	386,788	415,846	360,279
Equipment Maintenance			
Contractual Services	748,491	748,491	748,491

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration and Maintenance - Continued			
Sanitary Sewer Maintenance and Repair			
Personal Services	\$ 204,330	\$ 204,330	\$ 209,788
Employee Benefits	62,558	62,558	66,653
Contractual Services	137,213	140,755	132,996
Utilities	22,660	22,660	10,161
Commodities and Supplies	26,152	26,152	24,301
Total Sanitary Sewer Maintenance and Repair	452,913	456,455	443,899
Water System Improvements			
Capital Expenses	1,313,600	1,999,320	266,323
Less Capital Assets Capitalized	(25,000)	(132,725)	(177,398)
Total Water System Improvements	1,288,600	1,866,595	88,925
Sanitary System Improvements			
Capital Expenses	1,484,000	1,540,836	977,423
Less Capital Assets Capitalized	-	(24,836)	(5,417)
Total Sanitary System Improvements	1,484,000	1,516,000	972,006
Improvements to Public Buildings			
Capital Expenses	30,000	30,000	-
Less Capital Assets Capitalized	-	-	-
Total Improvements to Public Buildings	30,000	30,000	-
Lake Michigan Water Acquisition			
Contractual Services	3,929,000	4,704,000	4,595,724
Total Administration and Maintenance	11,982,174	13,453,597	10,671,163
Depreciation	-	-	458,779
Total Operating Expenses	\$ 11,982,174	\$ 13,453,597	\$ 11,129,942

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Net Position - Nonmajor Enterprise Funds
December 31, 2012**

	Parking System Revenue	Village Parking System	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	\$ 345,528	\$ 345,528
Receivables - Net of Allowances			
Other Taxes	14,727	12,050	26,777
Total Current Assets	14,727	357,578	372,305
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	14,727	589,932	604,659

	Parking System Revenue	Village Parking System	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	4,313	2,132	6,445
Accrued Payroll	2,552	1,243	3,795
Due to Other Funds	234,942	-	234,942
Other Payables	3,617	20,381	23,998
Compensated Absences Payable	382	423	805
Total Current Liabilities	<u>245,806</u>	<u>24,179</u>	<u>269,985</u>
Noncurrent Liabilities			
Compensated Absences Payable	1,527	1,691	3,218
Net Other Post-Employment Benefits Obligation Payable	20	156	176
Total Noncurrent Liabilities	<u>1,547</u>	<u>1,847</u>	<u>3,394</u>
Total Liabilities	<u>247,353</u>	<u>26,026</u>	<u>273,379</u>
NET POSITION			
Investment in Capital Assets Unrestricted	-	232,354	232,354
	<u>(232,626)</u>	<u>331,552</u>	<u>98,926</u>
Total Net Position	<u>\$ (232,626)</u>	<u>\$ 563,906</u>	<u>\$ 331,280</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds
Year Ended December 31, 2012**

	<u>Parking System Revenue</u>	<u>Village Parking System</u>	<u>Totals</u>
Operating Revenues			
Charges for Services			
Parking Fees	\$ 111,869	\$ 113,345	\$ 225,214
Operating Expenses			
Administration, Maintenance and Improvements	<u>198,563</u>	<u>147,152</u>	<u>345,715</u>
Operating Income (Loss)	(86,694)	(33,807)	(120,501)
Nonoperating Revenues			
Home Rule Sales Tax	<u>54,887</u>	<u>44,908</u>	<u>99,795</u>
Change in Net Position	(31,807)	11,101	(20,706)
Net Position - Beginning	<u>(200,819)</u>	<u>552,805</u>	<u>351,986</u>
Net Position - Ending	<u>\$ (232,626)</u>	<u>\$ 563,906</u>	<u>\$ 331,280</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
Year Ended December 31, 2012**

	Parking System Revenue	Village Parking System	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 168,037	\$ 159,300	\$ 327,337
Payments to Suppliers	(126,657)	(122,895)	(249,552)
Payments to Employees	(41,380)	(21,154)	(62,534)
Net Change in Cash and Cash Equivalents	-	15,251	15,251
Cash and Cash Equivalents - Beginning of Year	-	330,277	330,277
Cash and Cash Equivalents - End of Year	\$ -	\$ 345,528	\$ 345,528
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	\$ (86,694)	\$ (33,807)	\$ (120,501)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities.			
Other Income	54,887	44,908	99,795
(Increase) Decrease in Current Assets	1,281	1,047	2,328
Increase (Decrease) in Current Liabilities	30,526	3,103	33,629
Net Cash Provided by Operating Activities	\$ -	\$ 15,251	\$ 15,251

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Parking System Revenue - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Parking Fees - Lot A	\$ 60,000	\$ 60,000	\$ 60,693
Parking Fees - Lot C	48,000	48,000	51,176
Total Operating Revenues	108,000	108,000	111,869
Operating Expenses			
Administration, Maintenance and Improvements	216,578	275,648	198,563
Operating Income (Loss)	(108,578)	(167,648)	(86,694)
Nonoperating Revenues			
Home Rule Sales Tax	55,000	55,000	54,887
Interest Income	500	500	-
	55,500	55,500	54,887
Change in Net Position	\$ (53,078)	\$ (112,148)	(31,807)
Net Position - Beginning			(200,819)
Net Position - Ending			\$ (232,626)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Parking System Revenue - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 41,031	\$ 41,031	\$ 41,380
Employee Benefits	17,363	17,363	17,906
Other Employee Costs	80	80	40
Contractual Services	112,063	112,063	100,542
Utilities	10,317	10,317	5,553
Insurance	1,138	1,138	1,138
Commodities and Supplies	9,586	9,586	4,985
Capital Expenses	25,000	84,070	27,019
Total Operating Expenses	<u>\$ 216,578</u>	<u>\$ 275,648</u>	<u>\$ 198,563</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Village Parking System - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees			
Rental Fees	\$ 6,600	\$ 6,600	\$ 2,750
Parking Fees - Lot D	100,000	100,000	101,797
Space Rent - Wille Street Lot	5,000	5,000	8,798
Total Operating Revenues	<u>111,600</u>	<u>111,600</u>	<u>113,345</u>
Operating Expenses			
Administration, Maintenance and Improvements	<u>180,902</u>	<u>254,402</u>	<u>147,152</u>
Operating Income (Loss)	<u>(69,302)</u>	<u>(142,802)</u>	<u>(33,807)</u>
Nonoperating Revenues			
Home Rule Sales Tax	45,000	45,000	44,908
Interest Income	500	500	-
	<u>45,500</u>	<u>45,500</u>	<u>44,908</u>
Change in Net Position	<u>\$ (23,802)</u>	<u>\$ (97,302)</u>	11,101
Net Position - Beginning			<u>552,805</u>
Net Position - Ending			<u>\$ 563,906</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Village Parking System - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration, Maintenance and Improvements			
Personal Services	\$ 21,729	\$ 21,729	\$ 21,154
Employee Benefits	6,145	6,145	7,054
Other Employee Costs	120	120	374
Contractual Services	101,596	101,596	94,508
Insurance	812	812	812
Commodities and Supplies	500	500	-
Capital Expenses	50,000	123,500	23,250
Total Operating Expenses	<u>\$ 180,902</u>	<u>\$ 254,402</u>	<u>\$ 147,152</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 Position - Internal Service Funds
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Net Position - Internal Service Funds
December 31, 2012

	<u>Computer Replacement</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 710,005
Receivables - Net of Allowances	
Other	-
Due from Other Governments	-
Prepays	-
Inventories	-
Total Current Assets	<u>710,005</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	-
Depreciable	65,253
Accumulated Depreciation	<u>(25,576)</u>
	39,677
Other Assets	
Deposits - Insurance	-
Total Noncurrent Assets	<u>39,677</u>
Total Assets	<u>749,682</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Accrued Payroll	-
Claims Payable	-
Other Payables	-
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 POSITION	
Investment in Capital Assets	39,677
Unrestricted	<u>710,005</u>
Total Net Position	<u>\$ 749,682</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 1,915,553	\$ 6,522,307	\$ 419,537	\$ 9,567,402
8,212	10,243	1,964	20,419
-	5,340	9,128	14,468
114,368	-	-	114,368
-	-	386,746	386,746
2,038,133	6,537,890	817,375	10,103,403
-	583,824	-	583,824
-	11,368,223	139,860	11,573,336
-	(7,817,846)	(116,079)	(7,959,501)
-	4,134,201	23,781	4,197,659
688,873	-	-	688,873
688,873	4,134,201	23,781	4,886,532
2,727,006	10,672,091	841,156	14,989,935
6,711	6,754	69,485	82,950
-	-	47,593	47,593
1,245,810	-	-	1,245,810
11,769	2,250	-	14,019
-	-	35,544	35,544
1,264,290	9,004	152,622	1,425,916
-	-	142,174	142,174
-	-	1,183	1,183
-	-	143,357	143,357
1,264,290	9,004	295,979	1,569,273
-	4,134,201	23,781	4,197,659
1,462,716	6,528,886	521,396	9,223,003
\$ 1,462,716	\$ 10,663,087	\$ 545,177	\$ 13,420,662

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds
Year Ended December 31, 2012**

	<u>Computer Replacement</u>
Operating Revenues	
Charges for Services	\$ -
Contributions	-
Miscellaneous	-
Total Operating Revenues	<u>-</u>
Operating Expenses	
Administration and Maintenance	149,078
Insurance and Claims	-
Depreciation	13,051
Total Operating Expenses	<u>162,129</u>
Operating Income (Loss)	<u>(162,129)</u>
Nonoperating Revenues	
Interest Income	542
Disposal of Capital Assets	-
	<u>542</u>
Change in Net Position	(161,587)
Net Position - Beginning as Restated	<u>911,269</u>
Net Position - Ending	<u>\$ 749,682</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 5,453,002	\$ 1,204,921	\$ 2,010,205	\$ 8,668,128
1,060,048	-	-	1,060,048
17,806	-	1,318	19,124
6,530,856	1,204,921	2,011,523	9,747,300
333,195	21,743	1,997,469	2,501,485
6,662,188	-	-	6,662,188
-	693,956	9,324	716,331
6,995,383	715,699	2,006,793	9,880,004
(464,527)	489,222	4,730	(132,704)
1,445	3,613	361	5,961
-	62,961	-	62,961
1,445	66,574	361	68,922
(463,082)	555,796	5,091	(63,782)
1,925,798	10,107,291	540,086	13,484,444
\$ 1,462,716	\$ 10,663,087	\$ 545,177	\$ 13,420,662

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds
Year Ended December 31, 2012

	<u>Computer Replacement</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ -
Payment to Suppliers	(149,078)
Payment to Employees	-
	<u>(149,078)</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	-
Purchase of Capital Assets	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest Received	542
	<u>542</u>
Net Change in Cash and Cash Equivalents	(148,536)
Cash and Cash Equivalents - Beginning	<u>858,541</u>
Cash and Cash Equivalents - Ending	<u>\$ 710,005</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (162,129)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
Depreciation	13,051
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	-
	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ (149,078)</u>

Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
\$ 6,306,453	\$ 1,192,718	\$ 2,034,365	\$ 9,533,536
(7,066,235)	(28,773)	(1,045,059)	(8,289,145)
-	-	(899,495)	(899,495)
(759,782)	1,163,945	89,811	344,896
-	69,961	-	69,961
-	(868,021)	-	(868,021)
-	(798,060)	-	(798,060)
1,445	3,613	361	5,961
(758,337)	369,498	90,172	(447,203)
2,673,890	6,152,809	329,365	10,014,605
\$ 1,915,553	\$ 6,522,307	\$ 419,537	\$ 9,567,402
\$ (464,527)	\$ 489,222	\$ 4,730	\$ (132,704)
-	693,956	9,324	716,331
(224,403)	(12,203)	22,842	(213,764)
(70,852)	(7,030)	52,915	(24,967)
\$ (759,782)	\$ 1,163,945	\$ 89,811	\$ 344,896

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Computer Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ -	\$ -	\$ -
Operating Expenses			
Administration			
Capital Outlay	233,900	233,900	149,078
Depreciation	-	-	13,051
Total Operating Expenses	<u>233,900</u>	<u>233,900</u>	<u>162,129</u>
Operating Income (Loss)	(233,900)	(233,900)	(162,129)
Nonoperating Revenues			
Interest Income	<u>1,000</u>	<u>1,000</u>	<u>542</u>
Change in Net Position	<u>\$ (232,900)</u>	<u>\$ (232,900)</u>	(161,587)
Net Position - Beginning			<u>911,269</u>
Net Position - Ending			<u>\$ 749,682</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Computer Replacement - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration			
Capital Outlay	\$ 233,900	\$ 233,900	\$ 149,078
Depreciation	-	-	13,051
Total Operating Expenses	\$ 233,900	\$ 233,900	\$ 162,129

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 5,271,967	\$ 5,313,967	\$ 5,453,002
Contributions	1,160,392	1,160,392	1,060,048
Miscellaneous	6,000	6,000	17,806
Total Operating Revenues	<u>6,438,359</u>	<u>6,480,359</u>	<u>6,530,856</u>
Operating Expenses			
Administration	358,255	349,255	333,195
Insurance and Claims	<u>6,486,700</u>	<u>6,933,200</u>	<u>6,662,188</u>
Total Operating Expenses	<u>6,844,955</u>	<u>7,282,455</u>	<u>6,995,383</u>
Operating Income (Loss)	(406,596)	(802,096)	(464,527)
Nonoperating Revenues			
Interest Income	<u>2,000</u>	<u>2,000</u>	<u>1,445</u>
Change in Net Position	<u>\$ (404,596)</u>	<u>\$ (800,096)</u>	(463,082)
Net Position - Beginning			<u>1,925,798</u>
Net Position - Ending			<u>\$ 1,462,716</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund	\$ 4,344,999	\$ 4,386,999	\$ 4,525,357
Refuse Disposal Fund	27,331	27,331	27,331
Water and Sewer Fund	117,684	117,684	136,736
Parking System Revenue Fund	1,138	1,138	1,138
Village Parking System Fund	812	812	812
Vehicle Maintenance Fund	19,573	19,573	27,409
Library	760,430	760,430	734,219
Total Charges for Services	<u>5,271,967</u>	<u>5,313,967</u>	<u>5,453,002</u>
Contributions			
Employee			
Health Insurance	483,792	483,792	435,826
Additional Life Insurance	6,600	6,600	9,031
Retiree			
Health Insurance	670,000	670,000	615,191
Total Contributions	<u>1,160,392</u>	<u>1,160,392</u>	<u>1,060,048</u>
Miscellaneous			
Other Reimbursements	6,000	6,000	7,578
Miscellaneous Income	-	-	10,228
Total Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>17,806</u>
Total Operating Revenues	<u>\$ 6,438,359</u>	<u>\$ 6,480,359</u>	<u>\$ 6,530,856</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Risk Management - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration			
Casualty and Property Program			
Claims Administration	\$ 27,100	\$ 27,100	\$ 23,708
Other Contractual Services	2,000	13,000	13,500
	<u>29,100</u>	<u>40,100</u>	<u>37,208</u>
Medical Program			
Claims Administration	329,155	309,155	295,987
	<u>358,255</u>	<u>349,255</u>	<u>333,195</u>
Insurance and Claims			
Casualty and Property Program			
Property Insurance	53,000	102,000	101,411
HELP Excess Liability Insurance	79,000	79,000	74,614
Workers' Compensation Insurance	59,500	59,500	57,319
Faithful Performance Insurance	2,500	2,500	2,330
Surety Bonds	2,000	2,000	1,950
Other Insurance	3,000	3,000	2,102
Property Claims	1,000	1,000	716
Liability Claims	-	140,000	(53,002)
Workers' Compensation Claims	210,000	570,000	783,964
Auto Claims	20,000	27,500	13,116
Village Property Claims	30,000	30,000	9,859
Unemployment Compensation Claims	120,000	120,000	21,545
Tree Hazard Study	11,500	11,500	4,949
Other Claims	4,000	4,000	2,235
	<u>595,500</u>	<u>1,152,000</u>	<u>1,023,108</u>
Medical Program			
Medical Expense - HMO Plan	1,835,000	1,719,000	1,713,728
Medical Expense - Indemnity Plan	4,031,100	4,037,100	3,900,772
Other Medical Claims	1,000	1,000	631
Life Insurance	24,100	24,100	23,949
	<u>5,891,200</u>	<u>5,781,200</u>	<u>5,639,080</u>
	<u>6,486,700</u>	<u>6,933,200</u>	<u>6,662,188</u>
	<u>\$ 6,844,955</u>	<u>\$ 7,282,455</u>	<u>\$ 6,995,383</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,207,800	\$ 1,207,800	\$ 1,204,921
Operating Expenses			
Administration	1,321,800	1,338,111	21,743
Depreciation	-	-	693,956
Total Operating Expenses	1,321,800	1,338,111	715,699
Operating Income (Loss)	(114,000)	(130,311)	489,222
Nonoperating Revenues			
Interest Income	10,000	10,000	3,613
Disposal of Capital Assets	50,000	50,000	62,961
	60,000	60,000	66,574
Change in Net Position	\$ (54,000)	\$ (70,311)	555,796
Net Position - Beginning as Restated			10,107,291
Net Position - Ending			\$ 10,663,087

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund			
Mayor and Board	\$ 1,100	\$ 1,100	\$ 1,100
Manager's Office	3,300	3,300	3,300
Television Services Division	3,000	3,000	3,000
Community Development - Planning	1,500	1,500	1,500
Community Development - Building	6,000	6,000	6,000
Community Development - Housing	9,400	9,400	9,400
Community Development - Health	1,500	1,500	1,500
Police Department	281,300	281,300	278,421
Fire Department	318,700	318,700	318,700
Public Works Department	260,500	260,500	260,500
Engineering Division	10,000	10,000	10,000
Water and Sewer Fund	277,500	277,500	277,500
Parking System Fund	13,600	13,600	13,600
Village Parking Fund	20,400	20,400	20,400
Total Operating Revenues	<u>\$ 1,207,800</u>	<u>\$ 1,207,800</u>	<u>\$ 1,204,921</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Replacement - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Administration			
Capital Outlay	\$ 1,321,800	\$ 1,338,111	\$ 889,764
Less Capital Assets Capitalized	(932,000)	(932,000)	(868,021)
Total Administration	389,800	406,111	21,743
Depreciation	-	-	693,956
Total Operating Expenses	\$ 389,800	\$ 406,111	\$ 715,699

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,010,205	\$ 2,010,205	\$ 2,010,205
Miscellaneous Income	500	500	1,318
Total Operating Revenues	<u>2,010,705</u>	<u>2,010,705</u>	<u>2,011,523</u>
Operating Expenses			
Administration and Maintenance	2,011,205	2,115,393	1,997,469
Depreciation	-	-	9,324
Total Operating Expenses	<u>2,011,205</u>	<u>2,115,393</u>	<u>2,006,793</u>
Operating Income (Loss)	(500)	(104,688)	4,730
Nonoperating Revenues			
Interest Income	<u>500</u>	<u>500</u>	<u>361</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (104,188)</u>	5,091
Net Position - Beginning			<u>540,086</u>
Net Position - Ending			<u>\$ 545,177</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Charges for Services			
General Fund			
Mayor and Board	\$ 3,015	\$ 3,015	\$ 3,015
Manager's Office	3,015	3,015	3,015
Television Services Division	3,216	3,216	3,216
Community Development - Planning	3,015	3,015	3,015
Community Development - Building	12,664	12,664	12,664
Community Development - Housing	21,107	21,107	21,107
Community Development - Health	3,015	3,015	3,015
Human Services Department	3,015	-	-
Police Department	510,592	510,592	510,592
Fire Department	316,809	316,809	316,809
Public Works Department	620,953	620,953	620,953
Engineering Division	29,550	32,565	32,565
Water and Sewer Fund	470,991	470,991	470,991
Parking System Fund	4,624	4,624	4,624
Village Parking Fund	4,624	4,624	4,624
Total Charges for Services	<u>2,010,205</u>	<u>2,010,205</u>	<u>2,010,205</u>
Miscellaneous Income	<u>500</u>	<u>500</u>	<u>1,318</u>
Total Operating Revenue	<u>\$ 2,010,705</u>	<u>\$ 2,010,705</u>	<u>\$ 2,011,523</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Vehicle Maintenance - Internal Service Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Administration and Maintenance			
Vehicle Division Administration			
Personal Services	\$ 109,227	\$ 109,227	\$ 104,825
Employee Benefits	57,122	57,122	63,977
Other Employee Costs	9,815	9,815	10,112
Contractual Services	7,155	7,155	2,336
Utilities	993	993	2,795
Commodities and Supplies	1,572	1,572	1,501
Office Equipment	545	545	-
Total Vehicle Division Administration	186,429	186,429	185,546
Vehicle Maintenance Program			
Personal Services	827,749	827,749	794,670
Employee Benefits	291,767	291,767	282,378
Other Employee Costs	11,400	15,588	15,232
Contractual Services	88,583	88,583	64,873
Commodities and Supplies	601,777	701,777	651,638
Other Equipment	3,500	3,500	3,132
Total Vehicle Maintenance Program	1,824,776	1,928,964	1,811,923
Total Administration and Maintenance	2,011,205	2,115,393	1,997,469
Depreciation	-	-	9,324
Total Operating Expenses	\$ 2,011,205	\$ 2,115,393	\$ 2,006,793

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

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

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

AGENCY 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 Position
December 31, 2012**

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,859,513	\$ 2,051,332	\$ 3,910,845
Investments			
State and Local Obligations	2,666,839	1,698,117	4,364,956
U.S. Government and Agency Obligations	11,779,430	10,635,568	22,414,998
Corporate Bonds and Obligations	9,333,297	8,806,995	18,140,292
Mutual Funds	23,084,476	23,976,809	47,061,285
Accrued Interest Receivable	164,316	138,135	302,451
Prepays	1,000	1,106	2,106
Due from Other Funds	51,242	43,298	94,540
Total Assets	<u>48,940,113</u>	<u>47,351,360</u>	<u>96,291,473</u>
LIABILITIES			
Accounts Payable	<u>17,462</u>	<u>117,805</u>	<u>135,267</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 48,922,651</u>	<u>\$ 47,233,555</u>	<u>\$ 96,156,206</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Position
Year Ended December 31, 2012**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 2,511,349	\$ 2,260,834	\$ 4,772,183
Contributions - Plan Members	770,609	588,114	1,358,723
Total Contributions	3,281,958	2,848,948	6,130,906
Investment Income			
Interest Earned	1,349,767	1,198,360	2,548,127
Net Change in Fair Value	3,315,862	3,131,807	6,447,669
	4,665,629	4,330,167	8,995,796
Less Investment Expenses	(85,297)	(87,601)	(172,898)
Net Investment Income	4,580,332	4,242,566	8,822,898
Total Additions	7,862,290	7,091,514	14,953,804
Deductions			
Administration	31,223	33,433	64,656
Benefits and Refunds	3,685,563	3,689,503	7,375,066
Total Deductions	3,716,786	3,722,936	7,439,722
Change in Net Position	4,145,504	3,368,578	7,514,082
Net Position - Beginning	44,777,147	43,864,977	88,642,124
Net Position - Ending	\$ 48,922,651	\$ 47,233,555	\$ 96,156,206

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Net Position - Budget and Actual
Year Ended December 31, 2012**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,503,500	\$ 2,503,500	\$ 2,511,349
Contributions - Plan Members	741,000	741,000	770,609
Total Contributions	<u>3,244,500</u>	<u>3,244,500</u>	<u>3,281,958</u>
Investment Income			
Interest Earned	1,144,500	1,414,500	1,349,767
Net Change in Fair Value	1,478,000	3,308,000	3,315,862
	<u>2,622,500</u>	<u>4,722,500</u>	<u>4,665,629</u>
Less Investment Expenses	(92,000)	(92,000)	(85,297)
Net Investment Income	<u>2,530,500</u>	<u>4,630,500</u>	<u>4,580,332</u>
Total Additions	<u>5,775,000</u>	<u>7,875,000</u>	<u>7,862,290</u>
Deductions			
Administration	56,000	56,000	31,223
Benefits and Refunds	3,646,470	3,731,070	3,685,563
Total Deductions	<u>3,702,470</u>	<u>3,787,070</u>	<u>3,716,786</u>
Change in Net Position	<u>\$ 2,072,530</u>	<u>\$ 4,087,930</u>	4,145,504
Net Position - Beginning			<u>44,777,147</u>
Net Position - Ending			<u>\$ 48,922,651</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
Year Ended December 31, 2012

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,249,300	\$ 2,249,300	\$ 2,260,834
Contributions - Plan Members	592,000	592,000	588,114
Total Contributions	<u>2,841,300</u>	<u>2,841,300</u>	<u>2,848,948</u>
Investment Income			
Interest Earned	1,106,000	1,216,000	1,198,360
Net Change in Fair Value	1,425,000	3,125,000	3,131,807
	<u>2,531,000</u>	<u>4,341,000</u>	<u>4,330,167</u>
Less Investment Expenses	(89,000)	(89,000)	(87,601)
Net Investment Income	<u>2,442,000</u>	<u>4,252,000</u>	<u>4,242,566</u>
Total Additions	<u>5,283,300</u>	<u>7,093,300</u>	<u>7,091,514</u>
Deductions			
Administration	59,000	59,000	33,433
Benefits and Refunds	3,647,069	3,697,069	3,689,503
Total Deductions	<u>3,706,069</u>	<u>3,756,069</u>	<u>3,722,936</u>
Change in Net Position	<u>\$ 1,577,231</u>	<u>\$ 3,337,231</u>	3,368,578
Net Position - Beginning			<u>43,864,977</u>
Net Position - Ending			<u>\$ 47,233,555</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Agency Funds

Combining Statement of Changes in Assets and Liabilities
December 31, 2012

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 1,189,052	\$ 3,111,996	\$ 2,857,821	\$ 1,443,227
Other Receivables	-	10,744	10,374	370
Due from Other Funds	-	14,679	14,679	-
Total Assets	\$ 1,189,052	\$ 3,137,419	\$ 2,882,874	\$ 1,443,597
LIABILITIES				
Deposits Payable	\$ 1,148,378	\$ 1,383,791	\$ 1,129,521	\$ 1,402,648
Due to Other Funds	40,000	185,290	185,290	40,000
Other Liabilities	500	485,862	485,727	635
Due to Library	174	1,577,655	1,577,515	314
Total Liabilities	\$ 1,189,052	\$ 3,632,598	\$ 3,378,053	\$ 1,443,597
Escrow Deposit Fund				
ASSETS				
Cash and Investments	\$ 1,113,903	\$ 1,036,422	\$ 790,573	\$ 1,359,752
Other Receivables	-	10,744	10,374	370
Due from Other Funds	-	14,679	14,679	-
Total Assets	1,113,903	1,061,845	815,626	1,360,122
LIABILITIES				
Deposits Payable	\$ 1,113,403	\$ 1,069,545	\$ 823,461	\$ 1,359,487
Due to Other Funds	-	177,304	177,304	-
Other Liabilities	500	485,862	485,727	635
Total Liabilities	\$ 1,113,903	\$ 1,732,711	\$ 1,486,492	\$ 1,360,122

	Beginning Balances	Additions	Deductions	Ending Balances
Flexcomp Escrow Fund				
ASSETS				
Cash and Investments	\$ 74,975	\$ 497,919	\$ 489,733	\$ 83,161
LIABILITIES				
Deposits Payable	\$ 34,975	\$ 314,246	\$ 306,060	\$ 43,161
Due to Other Funds	40,000	7,986	7,986	40,000
Total Liabilities	\$ 74,975	\$ 322,232	\$ 314,046	\$ 83,161
Library Bonds Escrow Fund				
ASSETS				
Cash and Investments	\$ 174	\$ 1,577,655	\$ 1,577,515	\$ 314
LIABILITIES				
Due to Library	\$ 174	\$ 1,577,655	\$ 1,577,515	\$ 314

SUPPLEMENTAL SCHEDULES

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable by Governmental Funds
December 31, 2012**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINO.

Schedule of General Long-Term Debt

Long-Term Debt Payable by Governmental Funds
December 31, 2012

	General Obligation Bonds of 2009	General Obligation Refunding Bonds of 2009B	Taxable General Obligation Bonds of 2009C	General Obligation Refunding Bonds of 2011B
AMOUNTS TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG- TERM DEBT	\$ 9,800,000	\$ 2,920,000	\$ 2,650,000	\$ 5,055,000
GENERAL LONG-TERM DEBT PAYABLE				
General Obligation Bonds Payable	\$ 9,800,000	\$ 2,920,000	\$ 2,650,000	\$ 5,055,000
IEPA Flood Loan Contracts Payable	-	-	-	-
Installment Notes Payable	-	-	-	-
Compensated Absences Payable	-	-	-	-
Net Pension Obligation	-	-	-	-
Net Other Post-Employment Benefits Obligation	-	-	-	-
	\$ 9,800,000	\$ 2,920,000	\$ 2,650,000	\$ 5,055,000

General Obligation Refunding Bonds of 2012C	IEPA Flood Loans	Installment Notes	Compensated Absences	Net Pension Obligation	Net Other Post- Employment Benefits Obligation	Totals
\$ 2,365,000	\$ 1,706,824	\$ 2,500,000	\$ 3,384,104	\$ 458,949	\$ 289,542	\$ 31,129,419
\$ 2,365,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,790,000
-	1,706,824	-	-	-	-	1,706,824
-	-	2,500,000	-	-	-	2,500,000
-	-	-	3,384,104	-	-	3,384,104
-	-	-	-	458,949	-	458,949
-	-	-	-	-	289,542	289,542
\$ 2,365,000	\$ 1,706,824	\$ 2,500,000	\$ 3,384,104	\$ 458,949	\$ 289,542	\$ 31,129,419

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Bonds of 2009
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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>\$ 5,780,264</u>	<u>\$ 15,580,264</u>	<u>\$ 2,890,132</u>		<u>\$ 2,890,132</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2009B
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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>\$ 2,920,000</u>	<u>\$ 521,975</u>	<u>\$ 3,441,975</u>		<u>\$ 260,984</u>		<u>\$ 260,991</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**Taxable General Obligation Bonds of 2009C
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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>\$ 1,677,248</u>	<u>\$ 4,327,248</u>	<u>\$ 838,625</u>		<u>\$ 838,623</u>	

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011B
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
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>\$ 5,055,000</u>	<u>\$ 646,380</u>	<u>\$ 5,701,380</u>		<u>\$ 323,190</u>		<u>\$ 323,190</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2012C
December 31, 2012**

Date of Issue	January 3, 2012
Date of Maturity	December 1, 2022
Authorized Issue	\$2,975,000
Denomination of Bonds	\$5,000
Interest Rate	3.10%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	The Bank of New York Mellon Trust Company

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2013	\$ 620,000	\$ 73,316	\$ 693,316	2013	\$ 36,658	2013	\$ 36,658
2014	-	54,096	54,096	2014	27,048	2014	27,048
2015	-	54,096	54,096	2015	27,048	2015	27,048
2016	-	54,096	54,096	2016	27,048	2016	27,048
2017	-	54,096	54,096	2017	27,048	2017	27,048
2018	-	54,096	54,096	2018	27,048	2018	27,048
2019	-	54,096	54,096	2019	27,048	2019	27,048
2020	-	54,096	54,096	2020	27,048	2020	27,048
2021	860,000	54,096	914,096	2021	27,048	2021	27,048
2022	885,000	27,436	912,436	2022	13,718	2022	13,718
	<u>\$ 2,365,000</u>	<u>\$ 533,520</u>	<u>\$ 2,898,520</u>		<u>\$ 266,760</u>		<u>\$ 266,760</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0856) Contract Payable of 1994
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2013	38-39	\$ 38,320	\$ 970	\$ 39,290

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0744) Contract Payable of 1994
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2013	38-39	\$ 246,050	\$ 10,456	\$ 256,506
2014	40	126,134	2,119	128,253
		<u>\$ 372,184</u>	<u>\$ 12,575</u>	<u>\$ 384,759</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0857) Contract Payable of 1994
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
2013	37-38	\$ 113,491	\$ 6,811	\$ 120,302
2014	39-40	117,336	2,966	120,302
		<u>\$ 230,827</u>	<u>\$ 9,777</u>	<u>\$ 240,604</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-0855) Contract Payable of 1997
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
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>\$ 373,445</u>	<u>\$ 30,315</u>	<u>\$ 403,760</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Long-Term Debt Requirements

**IEPA Flood Loan (L17-1087) Contract Payable of 1999
December 31, 2012**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Numbers	Requirements		
		Principal	Interest	Totals
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>\$ 692,048</u>	<u>\$ 65,241</u>	<u>\$ 757,289</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Long-Term Debt Requirements

Installment Note Payable of 2012

December 31, 2012

Date of Issue	December 31, 2012
Date of Maturity	December 1, 2019
Authorized Issue	\$2,500,000
Denomination of Bonds	\$5,000
Interest Rate	0.91%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Mount Prospect State Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2013	\$ 25,000	\$ 20,917	\$ 45,917	2013	\$ 9,542	2013	\$ 11,375
2014	135,000	22,522	157,522	2014	11,261	2014	11,261
2015	400,000	21,294	421,294	2015	10,647	2015	10,647
2016	415,000	17,654	432,654	2016	8,827	2016	8,827
2017	420,000	13,878	433,878	2017	6,939	2017	6,939
2018	515,000	10,056	525,056	2018	5,028	2018	5,028
2019	590,000	5,369	595,369	2019	2,684	2019	2,685
	<u>\$ 2,500,000</u>	<u>\$ 111,690</u>	<u>\$ 2,611,690</u>		<u>\$ 54,928</u>		<u>\$ 56,762</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Insurance in Force
December 31, 2012**

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	\$ 88,958,031	\$ None	01/01/13
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	08/01/13
Fiduciary Liability - Fire Pension	25,000	5,000,000	5,000,000	08/01/13
Contingent Tax Interruption	25,000	9,000,000	9,000,000	01/01/13
Safety National Insurance Company				
Workers' Compensation	550,000	Statutory	1,000,000	01/01/13
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
Travelers				
Public Employees Dishonesty	5,000	500,000	None	05/01/13
Depositors Forgery	1,000	100,000	None	05/01/13
ITT Hartford				
Public Officials Bond - President	None	100,000	100,000	05/01/13
Public Officials Bond - Manager	None	100,000	100,000	05/01/13
Public Officials Bond - Village Treasurer	None	250,000	250,000	05/01/13
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 Position by Component - Last Nine Fiscal Years
December 31, 2012 (Unaudited)**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Net Position by Component - Last Nine Fiscal Years
December 31, 2012 (Unaudited)**

	2004	2005	2006
Governmental Activities			
Net Investment in Capital Assets	\$ 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 Position	\$ 36,139,486	\$ 42,369,159	\$ 47,422,559
Business-Type Activities			
Net Investment in Capital Assets	\$ 17,471,099	\$ 17,846,548	\$ 18,321,345
Unrestricted	6,261,987	5,808,766	6,172,718
Total Business-Type Activities Net Position	\$ 23,733,086	\$ 23,655,314	\$ 24,494,063
Primary Government			
Net Investment in Capital Assets	\$ 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 Position	\$ 59,872,572	\$ 66,024,473	\$ 71,916,622

Data Source: Audited Financial Statements

The Village implemented GASB 34 in Fiscal Year 2004.

2007	2008	2009	2010	2011	2012
\$ 26,114,472	\$ 29,663,909	\$ 27,741,453	\$ 30,020,260	\$ 53,524,378	\$ 48,521,357
3,178,963	2,367,670	4,497,173	4,891,298	2,828,903	3,547,328
23,151,760	21,216,625	20,277,880	18,296,001	20,019,184	24,952,139
\$ 52,445,195	\$ 53,248,204	\$ 52,516,506	\$ 53,207,559	\$ 76,372,465	\$ 77,020,824
\$ 19,437,672	\$ 20,776,324	\$ 22,412,134	\$ 23,044,064	\$ 26,892,474	\$ 26,566,375
6,833,310	6,852,644	5,996,007	5,927,430	5,167,986	6,820,901
\$ 26,270,982	\$ 27,628,968	\$ 28,408,141	\$ 28,971,494	\$ 32,060,460	\$ 33,387,276
\$ 45,552,144	\$ 50,440,233	\$ 50,153,587	\$ 53,064,324	\$ 80,416,852	\$ 75,087,732
3,178,963	2,367,670	4,497,173	4,891,298	2,828,903	3,547,328
29,985,070	28,069,269	26,273,887	24,223,431	25,187,170	31,773,040
\$ 78,716,177	\$ 80,877,172	\$ 80,924,647	\$ 82,179,053	\$ 108,432,925	\$ 110,408,100

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Changes in Net Position - Last Nine Fiscal Years
December 31, 2012 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 6,233,324
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	28,134,173
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	15,853,017
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	4,407,533
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	1,909,062
Culture and Recreation	287,955	237,024	272,826	221,806	409,066	367,635	322,553	353,308	406,606
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	1,033,923
Total Governmental Activities Expenses	<u>46,516,065</u>	<u>40,811,377</u>	<u>46,176,001</u>	<u>48,650,473</u>	<u>54,023,679</u>	<u>54,392,987</u>	<u>54,412,472</u>	<u>60,285,609</u>	<u>57,977,638</u>
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	11,129,942
Commuter Parking	292,580	369,825	409,041	259,434	263,394	233,701	284,607	327,224	345,715
Total Business-Type Activities Expenses	<u>8,691,563</u>	<u>9,324,724</u>	<u>9,609,312</u>	<u>9,099,144</u>	<u>9,442,793</u>	<u>9,626,849</u>	<u>10,235,198</u>	<u>10,771,471</u>	<u>11,475,657</u>
Total Primary Government Expenses	<u>\$ 55,207,628</u>	<u>\$ 50,136,101</u>	<u>\$ 55,785,313</u>	<u>\$ 57,749,617</u>	<u>\$ 63,466,472</u>	<u>\$ 64,019,836</u>	<u>\$ 64,647,670</u>	<u>\$ 71,057,080</u>	<u>\$ 69,453,295</u>
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	\$ 7,068,010
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	1,412,279
Highways and Streets	158,101	135,151	176,019	231,468	169,615	237,786	135,641	108,865	126,660
Other Activities	261,470	280,083	288,914	305,467	320,488	65,933	70,964	32,040	39,163
Operating Grants and Contributions	2,472,301	556,072	513,703	594,223	1,800,781	2,551,348	2,338,965	2,749,168	1,974,867
Capital Grants and Contributions	66,138	1,894,095	2,106,688	2,812,836	764,283	406,734	443,278	65,905	72,175
Total Governmental Activities Program Revenues	<u>8,449,212</u>	<u>8,521,969</u>	<u>9,933,136</u>	<u>11,660,673</u>	<u>10,343,457</u>	<u>11,547,053</u>	<u>10,746,958</u>	<u>10,845,139</u>	<u>10,693,154</u>
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	10,990,923
Commuter Parking	161,617	205,215	207,085	210,036	269,400	218,735	210,324	219,040	225,214
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>6,565,623</u>	<u>7,605,974</u>	<u>8,713,852</u>	<u>9,098,285</u>	<u>9,044,081</u>	<u>8,719,131</u>	<u>9,126,945</u>	<u>9,300,771</u>	<u>11,216,137</u>
Total Primary Government Program Revenues	<u>\$ 15,014,835</u>	<u>\$ 16,127,943</u>	<u>\$ 18,646,988</u>	<u>\$ 20,758,958</u>	<u>\$ 19,387,538</u>	<u>\$ 20,266,184</u>	<u>\$ 19,873,903</u>	<u>\$ 20,145,910</u>	<u>\$ 21,909,291</u>

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense) Revenue									
Governmental Activities	\$ (38,066,853)	\$ (32,289,408)	\$ (36,242,865)	\$ (36,989,800)	\$ (43,680,222)	\$ (42,845,934)	\$ (43,665,514)	\$ (49,440,470)	\$ (47,284,484)
Business-Type Activities	(2,125,940)	(1,718,750)	(895,460)	(859)	(398,712)	(907,718)	(1,108,253)	(1,470,700)	(259,520)
Total Primary Government	\$ (40,192,793)	\$ (34,008,158)	\$ (37,138,325)	\$ (36,990,659)	\$ (44,078,934)	\$ (43,753,652)	\$ (44,773,767)	\$ (50,911,170)	\$ (47,544,004)
General Revenues and Other Changes in Net Position									
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	\$ 18,385,422
Utility	-	-	-	-	-	4,519,175	4,589,221	4,624,678	4,658,265
Business District	-	-	-	-	-	-	-	-	283,706
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	4,750,232
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	2,408,064
Intergovernmental									
State Sales and Use	-	-	-	-	-	9,761,726	11,110,707	11,411,781	11,877,115
Income Taxes	-	-	-	-	-	4,573,162	4,428,176	4,328,196	4,759,513
Replacement Taxes	-	-	-	-	-	338,134	362,532	357,596	358,286
Charitable Games Tax	-	-	-	-	-	-	-	3,986	4,090
Investment Income	207,562	433,605	908,782	924,989	416,673	187,793	67,001	29,043	42,452
Miscellaneous	153,629	126,411	101,242	42,868	93,781	605,006	633,902	235,167	278,293
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	42,114,236	44,356,567	45,582,972	47,805,438
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	1,515,605
Sales Tax	-	-	-	-	92,154	82,882	89,942	107,576	99,795
Investment Income	61,017	107,068	217,235	262,430	159,150	26,646	1,653	836	517
Miscellaneous	(2,913)	-	-	-	-	56,761	75,267	73,858	(29,581)
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	1,586,336
Total Primary Government	\$ 36,823,411	\$ 40,160,059	\$ 42,667,411	\$ 43,779,367	\$ 46,239,929	\$ 43,801,127	\$ 46,028,173	\$ 47,292,070	\$ 49,391,774
Changes in Net Position									
Governmental Activities	\$ (2,797,302)	\$ 6,229,673	\$ 4,690,337	\$ 5,022,636	\$ 803,009	\$ (731,698)	\$ 691,053	\$ (3,857,498)	\$ 520,954
Business-Type Activities	(572,080)	(77,772)	838,749	1,766,072	1,357,986	779,173	563,353	238,398	1,326,816
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)	\$ 1,847,770

Data Source: Audited Financial Statements

The Village implemented GASB 34 in Fiscal Year 2004.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

	2003	2004	2005	2006
General Fund				
Reserved	\$ 146,009	\$ 219,694	\$ 312,499	\$ 73,529
Unreserved	8,779,145	8,037,820	10,203,878	11,733,539
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	\$ 8,925,154	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068
All Other Governmental Funds				
Reserved	\$ 13,585,940	\$ 4,727,748	\$ 4,958,811	\$ 4,333,108
Unreserved, Reported in:				
Special Revenues Funds	1,968,264	1,744,656	1,556,490	1,844,687
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	(1,357,855)	161,614	1,447,070
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	\$ 15,554,204	\$ 5,114,549	\$ 6,676,915	\$ 7,624,865

The Village implemented GASB 54 in Fiscal Year 2011.

Data Source: Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ 40,910	\$ 228,750	\$ 88,492	\$ 53,536	\$ -	\$ -
12,774,003	12,312,075	10,110,989	10,364,455	-	-
-	-	-	-	100,590	98,150
-	-	-	-	10,704,282	11,466,179
<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>	<u>\$ 11,564,329</u>
\$ 3,329,107	\$ 2,523,221	\$ 4,762,560	\$ 2,188,376	\$ -	\$ -
2,028,077	2,043,378	1,674,387	2,148,898	-	-
-	(908,466)	(485,274)	(78,844)	-	-
2,315,134	303,492	1,965,761	2,459,761	-	-
-	-	-	-	147,130	144,114
-	-	-	-	2,828,903	3,625,715
-	-	-	-	3,564,914	7,525,930
-	-	-	-	(5,578)	(664)
<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>	<u>\$ 11,295,095</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

	2003	2004	2005	2006
Revenues				
Taxes	\$ 19,693,126	\$ 22,722,306	\$ 24,897,774	\$ 25,829,233
Licenses, Permits and Fees	3,273,201	3,024,016	3,135,996	3,216,982
Intergovernmental	14,210,114	14,616,333	15,459,395	16,664,264
Charges for Services	1,724,014	1,748,460	1,710,556	3,226,074
Fines and Forfeits	595,170	554,741	581,439	521,473
Investment Income	385,214	207,562	433,605	908,782
Miscellaneous	1,094,763	758,805	822,285	489,097
Total Revenues	40,975,602	43,632,223	47,041,050	50,855,905
Expenditures				
General Government	3,922,921	4,346,454	4,463,740	4,901,739
Public Safety	19,129,091	20,940,441	21,677,185	23,205,517
Highways and Streets	6,762,888	7,459,168	7,265,128	7,555,575
Health	3,244,907	3,545,174	3,650,121	3,873,480
Welfare	1,368,295	1,516,610	1,482,943	1,366,367
Culture and Recreation	275,184	274,491	284,229	333,148
Capital Outlay	15,366,338	11,481,777	2,040,534	3,470,144
Debt Service				
Principal	4,269,326	4,468,949	3,205,838	2,605,399
Interest and Fiscal Charges	1,520,741	1,456,454	1,318,154	1,264,364
Total Expenditures	55,859,691	55,489,518	45,387,872	48,575,733
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,884,089)	(11,857,295)	1,653,178	2,280,172
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	12,235,000	705,000	-	-
Premium on Debt Issuance	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Transfers In	1,096,677	794,938	989,519	1,344,953
Transfers Out	(1,096,677)	(794,938)	(989,519)	(1,386,484)
Disposal of Capital Assets	1,225,000	45,000	2,168,051	-
	13,460,000	750,000	2,168,051	(41,531)
Net Change in Fund Balances	\$ (1,424,089)	\$ (11,107,295)	\$ 3,821,229	\$ 2,238,641
Debt Service as a Percentage of Noncapital Expenditures	12.82%	12.02%	10.08%	8.07%

Data Source: Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ 26,460,490	\$ 27,287,056	\$ 26,648,415	\$ 27,740,802	\$ 29,217,203	\$ 30,485,689
3,445,370	3,094,828	3,748,456	3,394,211	3,356,816	3,657,586
17,783,855	19,104,781	17,274,500	18,719,087	18,895,261	18,862,827
3,780,453	3,618,419	3,832,341	3,789,976	3,974,677	4,417,110
720,673	720,351	529,655	556,178	548,993	403,036
924,989	416,673	137,142	55,457	23,103	36,491
557,279	533,460	834,738	781,149	406,118	629,892
53,673,109	54,775,568	53,005,247	55,036,860	56,422,171	58,492,631
5,298,202	5,725,191	5,796,151	5,240,716	5,284,168	5,827,275
24,767,992	25,906,274	26,384,953	26,935,085	26,992,535	28,022,943
9,204,868	9,168,071	8,291,493	7,450,823	7,681,534	7,734,185
4,102,547	4,156,319	4,188,172	4,128,010	4,286,754	4,405,184
1,786,121	1,736,791	2,316,995	2,039,805	1,902,841	1,909,062
281,737	381,892	358,207	313,125	346,068	399,366
2,437,381	6,623,970	14,296,659	7,739,590	7,274,213	4,761,739
3,529,734	4,149,735	1,425,219	1,046,203	1,377,700	1,479,732
1,044,123	891,181	1,023,907	1,124,236	1,057,464	959,812
52,452,705	58,739,424	64,081,756	56,017,593	56,203,277	55,499,298
1,220,404	(3,963,856)	(11,076,509)	(980,733)	218,894	2,993,333
-	-	16,080,000	-	5,160,000	5,475,000
-	-	124,535	-	-	-
-	-	(3,513,925)	-	(5,139,582)	(2,949,150)
105	809,422	635,100	450,000	80,089	-
(165,211)	(833,242)	(635,100)	(450,000)	(115,342)	-
-	2,895	364	-	-	-
(165,106)	(20,925)	12,690,974	-	(14,835)	2,525,850
\$ 1,055,298	\$ (3,984,781)	\$ 1,614,465	\$ (980,733)	\$ 204,059	\$ 5,519,183
8.78%	9.00%	4.55%	4.12%	4.35%	4.40%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years
December 31, 2012 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
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	1,330,339,716	332,297,825
2011	1,242,549,785	298,578,904

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
\$ 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%
171,115,770	927,196	1,834,680,507	0.829	5,504,041,521	33.333%
152,864,606	959,506	1,694,952,801	0.936	5,084,858,403	33.333%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Levy Years
December 31, 2012 (Unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village Direct Tax Rates										
Corporate	0.448	0.480	0.444	0.457	0.469	0.416	0.393	0.399	0.377	0.444
Bonds and Interest	0.063	0.078	0.070	0.092	0.083	0.071	0.093	0.076	0.098	0.105
Garbage	0.169	0.173	0.154	0.122	0.126	0.110	0.090	0.089	0.098	0.109
Police Pension	0.065	0.070	0.065	0.081	0.085	0.077	0.078	0.102	0.137	0.147
Firefighters' Pension	0.068	0.073	0.068	0.075	0.083	0.076	0.078	0.088	0.119	0.131
Total Direct Tax Rate	0.813	0.874	0.801	0.827	0.846	0.750	0.732	0.754	0.829	0.936
Overlapping Rates										
Mount Prospect Library	0.435	0.487	0.475	0.466	0.482	0.439	0.441	0.450	0.519	0.582
County of Cook	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394	0.423	0.462
Consolidated Elections	-	0.029	-	0.014	-	0.012	-	0.021	-	0.025
Forest Preserve District	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049	0.051	0.058
Metropolitan Water Reclamation District	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320
Suburban TB Sanitarium	0.006	0.004	0.001	0.005	0.005	-	-	-	-	-
Township of Elk Grove	0.050	0.051	0.046	0.044	0.044	0.040	0.041	0.044	0.049	0.056
Township of Maine	0.076	0.079	0.071	0.070	0.073	0.065	0.064	0.067	0.075	0.085
Township of Wheeling	0.040	0.047	0.042	0.041	0.043	0.038	0.038	0.039	0.043	0.048
General Assistance Elk Grove	0.011	0.011	0.007	0.009	0.009	0.008	0.009	0.010	0.011	0.012
General Assistance Maine	0.015	0.016	0.015	0.015	0.016	0.015	0.015	0.016	0.018	0.021
General Assistance Wheeling	0.008	0.010	0.009	0.009	0.010	0.009	0.009	0.009	0.005	0.009
Road and Bridge Elk Grove	0.009	0.010	0.009	0.009	0.009	0.009	0.009	0.010	0.011	0.013
Road and Bridge Maine	0.038	0.040	0.036	0.036	0.038	0.034	0.033	0.034	0.038	0.043
Road and Bridge Wheeling	0.012	0.013	0.012	0.012	0.013	0.012	0.012	0.012	0.014	0.015
Northwest Mosquito Abatement District	0.009	0.010	0.009	0.009	0.009	0.008	0.008	0.008	0.009	0.010
Arlington Heights High School #214	1.888	1.982	1.818	1.759	1.823	1.621	1.587	1.636	1.839	2.067
Community College District #512	0.295	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334
Arlington Heights Park District	0.458	0.516	0.466	0.453	0.461	0.404	0.379	0.392	0.450	0.496

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Village of Mount Prospect										
Special Service Area #6	0.384	0.418	0.298	-	-	-	-	-	-	-
Special Service Area #5	0.137	0.141	0.125	0.117	0.118	0.101	0.096	0.095	0.105	0.114
School District #59	1.855	2.127	1.972	1.933	2.013	1.791	1.810	1.945	2.129	2.422
Mount Prospect Park District	0.473	0.498	0.455	0.459	0.474	0.411	0.407	0.411	0.453	0.502
School District #57	2.878	3.019	2.740	2.643	2.694	2.334	2.246	2.195	2.521	2.748
School District #25	3.527	3.653	3.156	3.225	3.295	2.890	2.807	2.510	2.813	3.101
River Trails Park District	0.485	0.517	0.484	0.480	0.484	0.428	0.422	0.433	0.510	0.553
School District #26	3.192	3.313	2.948	2.880	3.047	2.698	2.696	2.703	3.131	3.458
Prospect Heights Park District	0.656	0.730	0.662	0.640	0.658	0.561	0.544	0.523	0.595	0.661
School District #23	3.183	3.344	2.987	2.880	2.948	2.418	2.363	2.253	2.571	2.869
School District #21	3.266	3.575	3.262	3.394	3.502	3.154	3.161	3.209	3.658	4.164
Des Plaines Park District	0.422	0.444	0.427	0.350	0.356	0.312	0.300	0.317	0.338	0.379
Prospect Heights Old Town Sanitary	0.079	0.082	0.073	0.071	0.074	0.039	0.015	0.015	0.017	0.020
Elk Grove Rural Fire Protection District	0.626	0.660	0.722	0.841	1.039	0.895	0.971	1.032	1.055	1.121
Prospect Heights Rural Fire Protection District	0.567	0.819	0.731	0.767	0.795	0.693	0.677	0.652	0.755	0.845
High School District #207	1.936	2.012	1.795	1.757	1.826	1.602	1.577	1.617	1.782	1.995
Community College District #535	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140	0.160	0.196
School District #62	2.148	2.228	2.475	2.501	2.627	2.350	2.329	2.492	2.741	3.107
Total Tax Rate for Property Located in the Village of Mount Prospect, Elk Grove Township and School District #59	7.103	7.584	6.997	6.840	6.961	6.212	6.114	6.346	6.997	7.913
Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	11.4%	11.5%	11.4%	12.1%	12.2%	12.1%	12.0%	11.9%	11.8%	11.8%
Total Tax Rate for Property Located in the Village of Mount Prospect, Wheeling Township and School District #26	8.442	8.768	7.974	7.787	7.999	7.121	7.000	7.100	7.990	8.940
Share of Total Tax Rate Levied by the Village of Mount Prospect for Village Purposes	9.6%	10.0%	10.0%	10.6%	10.6%	10.5%	10.5%	10.6%	10.4%	10.5%

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 Levy Year and Nine Levy Years Ago
December 31, 2012 (Unaudited)**

Taxpayer	2011 Levy			2002 Levy		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Randhurst Shopping Center	\$ 29,991,642	1	1.77%	\$		
CRP Holdings	20,194,852	2	1.19%			
Mount Prospect Plaza	18,259,479	3	1.08%			
Golf Plaza I & II	17,181,725	4	1.01%			
Home Properties Colony	12,881,448	5	0.76%	24,136,871	3	1.78%
LIT Industrial Limited	10,815,141	6	0.64%			
First Industrial	10,631,371	7	0.63%	26,723,128	2	1.97%
Cummins-Allison Corp	9,735,749	8	0.57%			
KRCV Corp	8,178,223	9	0.48%			
Huntington Square	7,841,175	10	0.46%	8,621,443	10	0.64%
Rouse Company				67,466,413	1	4.98%
Stomad Ctrs. Mt. Prospect				17,356,365	4	1.28%
James Campbell Estate				15,589,751	5	1.15%
Washington Capital				13,348,598	6	0.98%
Cabot Ind. Properties				9,103,251	8	0.67%
Franklin JOI Central				9,812,744	7	0.72%
Bayshore Management Co				8,883,139	9	0.66%
	<u>\$ 145,710,805</u>		<u>8.59%</u>	<u>\$ 201,041,703</u>		<u>14.83%</u>

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

Data Source: Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	\$ 11,010,747	\$ 10,619,494	96.45%	\$ 213,289	\$ 10,832,783	98.38%
2004	2003	11,539,756	11,107,262	96.25%	321,106	11,428,368	99.03%
2005	2004	11,939,893	11,534,824	96.61%	113,225	11,648,049	97.56%
2006	2005	13,175,689	12,222,889	92.77%	656,947	12,879,836	97.75%
2007	2006	13,506,574	12,369,490	91.58%	880,512	13,250,002	98.10%
2008	2007	14,014,838	13,648,416	97.39%	(23,598)	13,624,818	97.22%
2009	2008	14,472,269	14,137,805	97.69%	53,862	14,191,667	98.06%
2010	2009	15,194,636	14,856,084	97.77%	93,947	14,950,031	98.39%
2011	2010	15,194,635	14,961,411	98.47%	160,467	15,121,878	99.52%
2012	2011	15,852,352	15,614,490	98.50%	-	15,614,490	98.50%

Data Source: Office of the Cook County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Taxable Sales by Category - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	2003	2004	2005	2006
General Merchandise	\$ 1,310,317	\$ 1,181,411	\$ 1,163,392	\$ 1,191,814
Food	918,773	849,930	901,597	883,285
Drinking and Eating Places	486,767	498,789	547,681	566,627
Apparel	169,613	156,900	124,284	157,184
Furniture and H.H. and Radio	286,666	283,729	230,378	280,088
Lumber, Building, Hardware	869,336	916,388	907,954	869,944
Automobile and Filling Stations	709,602	756,261	1,185,563	1,267,636
Drugs and Miscellaneous Retail	2,315,308	2,565,793	2,210,598	2,682,731
Agriculture and All Others	637,681	653,924	714,534	819,090
Manufacturers	127,213	101,044	115,036	105,704
Total	\$ 7,831,276	\$ 7,964,169	\$ 8,101,017	\$ 8,824,103
Number of Taxpayers	1,147	1,105	1,125	1,168
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

2007	2008	2009	2010	2011	2012
\$ 1,207,238	\$ 1,099,957	\$ 800,080	\$ 1,054,791	\$ 946,021	\$ 1,186,217
1,042,920	1,069,087	1,005,043	944,631	895,984	862,501
583,799	564,572	522,897	544,118	596,008	661,285
149,857	68,774	33,425	37,444	216,301	118,034
274,809	243,339	225,436	224,221	237,392	255,967
801,315	704,972	650,987	668,852	683,905	670,057
1,333,637	1,277,713	1,176,389	1,358,572	1,585,870	1,681,146
2,454,600	3,608,854	3,272,273	3,699,398	3,393,072	3,422,047
853,036	1,245,594	1,275,048	1,726,693	1,924,871	2,073,142
110,189	184,057	93,616	129,476	135,019	110,009
\$ 8,811,400	\$ 10,066,919	\$ 9,055,194	\$ 10,388,196	\$ 10,614,443	\$ 11,040,405
1,149	900	795	800	839	861
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Home Rule Sales Taxes by Category - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	2003	2004	2005	2006
General Merchandise	\$ 595,103	\$ 789,838	\$ 778,634	\$ 793,949
Food	122,996	185,355	169,411	160,335
Drinking and Eating Places	240,779	368,000	405,729	420,844
Apparel	84,805	117,774	93,186	117,804
Furniture and H.H. and Radio	143,226	210,821	172,592	209,656
Lumber, Building, Hardware	433,528	683,934	678,295	649,820
Automobile and Filling Stations	115,982	217,502	420,491	464,579
Drugs and Miscellaneous Retail	232,887	373,206	407,301	387,350
Agriculture and All Others	303,692	517,294	524,602	592,983
Manufacturers	61,351	71,726	83,868	76,697
Total	\$ 2,334,349	\$ 3,535,450	\$ 3,734,109	\$ 3,874,017
Number of Taxpayers	1,147	1,105	1,125	1,168
Village Direct Sales Tax Rate	0.50%	0.75%	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

	2007	2008	2009	2010	2011	2012
\$	811,505	\$ 967,261	\$ 693,008	\$ 811,120	\$ 749,509	\$ 900,240
	197,945	261,398	248,128	266,766	254,207	238,050
	434,613	558,908	519,177	539,414	592,596	656,376
	112,251	68,267	33,424	37,442	153,487	117,928
	205,312	240,192	223,116	220,694	232,711	251,253
	598,495	701,258	646,990	665,409	680,356	665,891
	494,408	640,842	596,221	697,383	891,042	922,948
	381,387	413,511	407,587	484,085	432,639	454,001
	621,576	819,975	647,829	632,050	659,611	514,937
	80,093	180,157	89,263	126,598	131,640	107,183
\$	3,937,585	\$ 4,851,769	\$ 4,104,744	\$ 4,480,961	\$ 4,777,798	\$ 4,828,807
	1,149	900	795	800	839	861
	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years December 31, 2012 (Unaudited)

Fiscal Year	State Rate	County Rate	Regional Transportation Rate	Village Direct Rate	Home Rule Sales Tax Rate	Total Sales Tax Rate
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%	1.00%	10.00%
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%
2012*	5.00%	1.25%	1.00%	1.00%	1.00%	9.25%

*Business District is assessed additional 0.25% Sales Tax.

Data Source: State of Illinois

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	Governmental Activities		
	General Obligation Bonds	Tax Increment Financing Bonds	IEPA Loan Payable (1)
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
2012	22,790,000	-	1,706,824

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) In 2012, the Village entered into an installment note to make stormwater improvements. The loan is payable in annual installments over a seven year period. Previously, the Village entered into an installment note to purchase property in the Downtown Redevelopment TIF District for future improvements.

Data Source: Audited Financial Statements

Installment Note (2)	Business-Type Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita*
\$ -	\$ 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
2,500,000	-	26,996,824	1.47%	498.40

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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
2012	22,790,000	135,817	22,654,183	0.45%	418.23

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

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

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2012 (Unaudited)**

Governmental Unit	(1) Gross Debt	(2) Percentage Debt Applicable to Village	(3) Village's Share of Debt
Village of Mount Prospect	\$ 36,480,000 *	100.00%	\$ 36,480,000
County of Cook	3,814,460,000	1.116%	42,569,374
Forest Preserve District of Cook County	94,885,000	1.116%	1,058,917
Metropolitan Water Reclamation District	2,466,464,000	1.139%	28,093,025
Community College District #512	178,285,000	8.853%	15,783,571
School District #214	46,530,000	17.954%	8,353,996
School District #207	15,110,000	0.058%	8,764
School District #57	10,600,000	95.068%	10,077,208
School District #25	5,120,000	2.572%	131,686
School District #26	11,765,000	76.510%	9,001,402
School District #23	1,560,000	7.502%	117,031
School District #21	34,729,204	3.118%	1,082,857
School District #59	13,455,000	14.416%	1,939,673
Arlington Heights Park District	20,159,547	1.570%	316,505
Des Plaines Park District	7,158,960	1.682%	120,414
Mount Prospect Park District	7,070,000	62.516%	4,419,881
Prospect Heights Park District	545,380	14.957%	81,572
	6,727,897,091		123,155,876
	\$ 6,764,377,091		\$ 159,635,876

* Includes \$13,690,000 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 2011 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 (2011) and Metropolitan Water Reclamation District of Greater Chicago (2011) and Office of the County Clerk for all other Government Units (2012).

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Schedule of Legal Debt Margin December 31, 2012 (Unaudited)

The Village is a home rule municipality.

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

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Fiscal Year	(1) Population	(2) Equalized Assessed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
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	1,694,952,801	1,798,831,903	33,209	7.40%
2012	54,167	N/A	1,841,786,334	34,002	6.60%

Note: 2012 Equalized Assessed Valuation is unavailable until 2013.

Data Sources:

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

N/A - Not Available

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2012 (Unaudited)**

Employer	2012			2003		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Caremark Rx, Inc.	809	1	1.49%	500	1	0.89%
Bosch Tools	650	2	1.20%			
Cummins-Allison Corp.	450	3	0.83%	200	7	0.36%
Village of Mount Prospect	305	4	0.56%	322	2	0.57%
Wal-Mart Stores, Inc.	300	5	0.55%			
Rauland Borg	300	6	0.55%			
Jewel Food Stores	288	7	0.53%			
Mount Prospect S.D. 57	271	8	0.50%	230	5	0.41%
Carson Pirie Scott	250	9	0.46%			
Township High S.D. 214	225	10	0.42%	240	4	0.43%
Home Depot	225	10	0.42%			
Commonwealth Edison				250	3	0.44%
Advance Mechanical Systems, Inc.				210	6	0.37%
Sun Processing Converting				200	8	0.36%
Bank One				200	9	0.36%
Cardone Record Services				180	10	0.32%
	<u>4,073</u>		<u>7.51%</u>	<u>2,532</u>		<u>4.51%</u>

Data Source: Village Records, 2003 Illinois Manufacturers Directory, 2003 Illinois Services Directory

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

See Following Page

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function/Program	2003	2004	2005
Public Representation/Community and Civic Services	1.05	1.05	1.05
General Government			
Village Administration			
Administration	13.75	13.65	15.15
Finance	15.00	15.00	15.00
Total Village Administration	28.75	28.65	30.15
Community Development			
Community Development	21.30	20.90	20.90
Community Development/CDBG	0.80	1.20	1.20
Total Community Development	22.10	22.10	22.10
Human Services Department	8.70	8.70	7.60
Public Safety and Protection			
Police Department	105.50	105.50	105.50
Fire Department	80.70	80.70	80.70
Total Public Safety and Protection	186.20	186.20	186.20
Public Works Department			
Administration	3.40	3.35	3.35
Streets/Buildings/Parking	16.10	14.60	14.60
Forestry	11.80	11.80	10.80
Engineering	7.90	7.90	7.90
Water/Sewer	25.80	25.75	25.75
Refuse Disposal	1.40	2.90	2.90
Parking	-	-	-
Vehicle Maintenance	9.10	9.10	9.10
Total Public Works Department	75.50	75.40	74.40
Village Total	322.30	322.10	321.50

Data Source: Village Budget

2006	2007	2008	2009	2010	2011	2012
1.05	1.05	1.05	1.05	1.05	2.10	2.10
15.45	16.45	16.95	16.95	14.95	14.95	15.45
15.00	15.00	15.00	15.00	13.00	13.00	13.00
30.45	31.45	31.95	31.95	27.95	27.95	28.45
20.90	22.90	23.40	23.15	20.48	20.48	17.75
1.20	1.20	1.20	1.20	1.25	1.25	1.25
22.10	24.10	24.60	24.35	21.73	21.73	19.00
7.60	7.60	7.60	10.60	9.50	9.50	9.50
110.50	111.50	111.50	111.50	97.83	97.83	99.50
83.90	84.20	84.20	82.20	74.75	74.75	74.50
194.40	195.70	195.70	193.70	172.58	172.58	174.00
3.35	3.35	3.35	3.35	2.85	2.85	2.85
14.60	14.80	14.60	14.80	11.35	11.85	11.85
10.80	10.80	10.80	10.80	10.70	9.75	9.75
8.30	8.30	8.30	8.30	8.00	8.00	8.00
25.55	26.15	26.15	26.15	26.50	25.00	25.00
2.90	2.90	2.90	2.90	2.90	2.90	2.90
-	-	-	-	-	0.90	0.90
8.90	8.90	9.10	10.90	10.90	10.90	10.90
74.40	75.20	75.20	77.20	73.20	72.15	72.15
330.00	335.10	336.10	338.85	306.01	306.01	305.20

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2012 (Unaudited)**

Function/Program	2003	2004	2005
Finance Department			
Vehicle Stickers Issued	38,940	38,969	38,425
Utility Bills	81,865	86,429	85,894
Real Estate Transfer Tax Stamps Sold	1,774	1,774	1,903
Community Development			
Building Division			
Permits Issued	3,427	3,429	3,217
Plan Reviews	387	473	744
Building Code Inspections	12,839	13,364	14,364
Environmental Health Division			
Food Service Inspections	422	404	364
Multi-Family Buildings Inspections	652	654	414
Swimming Pools/Spa Inspections	28	30	6
Public Safety			
Police			
Number of Crimes	5,774	4,548	3,834
Number of Service Calls	40,507	43,656	30,387
Number of Arrests	2,226	2,032	1,740
Moving Violations	9,070	7,947	7,383
Parking Citations	7,913	6,799	8,194
Fire			
Fire Calls	1,837	1,882	1,837
EMS Calls	3,412	3,229	3,443
Fire Prevention Inspections	2,838	2,305	2,692
Training Hours	23,847	25,180	22,397
Public Works			
Streets			
Street Resurfacing (Miles)	8.00	9.00	5.00
Crack Filling (Pounds)	50,490	56,520	58,700
Leaves Removed (Cubic Yards)	19,500	18,096	16,897
Water			
Water Mains Installed (Lineal Feet)	4,500	1,150	3,250
Water Purchased (1,000 Gallons)	1,550,000	1,491,000	1,491,251
Sanitary Sewers Cleaned (Feet)	45,000	45,000	45,000
Refuse (Single/Multi-Family)			
Solid Waste Collected (Tons)	37,978	37,465	33,019
Recycling (Tons)	7,009	6,685	7,348

*2012 are estimated amounts. Final figures are not available at time of printing report.

Data Source: Village Records

2006	2007	2008	2009	2010	2011	2012*
38,973	38,851	39,208	39,650	40,018	39,834	42,224
100,846	97,677	86,577	86,458	86,057	86,701	90,273
1,624	1,249	947	986	1,086	1,022	899
2,866	2,801	2,687	2,415	2,922	2,821	2,400
787	553	452	420	505	515	500
9,590	8,438	7,631	8,564	8,783	8,508	9,000
400	392	340	394	400	394	400
583	476	279	491	664	664	583
33	62	59	28	-	-	-
3,247	4,295	4,242	3,921	3,696	3,359	3,400
25,443	26,694	25,631	23,600	22,028	19,943	20,000
1,855	1,928	1,769	1,736	1,898	1,845	1,850
6,522	7,985	8,723	10,355	10,139	7,026	6,600
7,641	9,438	10,690	10,256	11,317	9,363	7,200
1,647	2,273	2,019	1,817	1,888	2,350	2,360
3,679	3,518	3,487	3,535	3,465	3,590	3,714
4,388	3,652	3,264	4,258	3,790	3,418	3,500
21,865	22,837	21,073	23,851	24,313	23,578	22,990
9.00	7.00	5.00	5.80	5.00	4.70	4.70
47,390	57,660	55,000	57,118	46,846	40,871	55,000
14,302	15,187	16,272	18,970	15,424	14,843	16,000
3,000	3,200	8,079	5,475	5,475	-	115
1,501,699	1,440,716	1,369,479	1,346,272	1,296,556	1,287,525	1,341,268
70,000	70,000	30,000	55,150	55,150	54,236	52,000
32,188	32,928	32,101	30,231	31,963	32,264	31,598
6,890	6,728	6,644	6,154	6,117	6,644	6,777

VILLAGE OF MOUNT PROSPECT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2012 (Unaudited)

Function/Program	2003	2004	2005
Public Safety			
Police			
Stations	1	1	1
Patrol Vehicles	34	36	38
Fire			
Fire Stations	3	3	3
Fire Engines/Vehicles	28	25	23
Public Works			
Residential Streets (Miles)	134	134	134
Water			
Water Mains (Miles)	158	163	163
Fire Hydrants	2,200	2,230	2,200
Storage Capacity (Gallons)	8.8M	8.8M	8.8M
Wastewater			
Sanitary Sewers (Miles)	93	93	93
Storm Sewers (Miles)	123	123	123
Combined Sewers (Miles)	59	59	59

Data Source: Various Village Departments

2006	2007	2008	2009	2010	2011	2012
1	1	1	1	1	1	1
39	35	35	34	34	34	33
3	3	3	3	3	3	3
22	22	22	22	22	22	20
134	134	134	134	134	134	134
164	166	166	166	162	162	161
2,309	2,328	2,328	2,328	2,295	2,295	2,274
8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
93	93	93	93	71	71	71
123	123	124	124	128	128	135
59	59	59	59	54	54	53

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

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2012	As Per Cent of		Per Capita 2000 Census 54,167
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2011	\$ 1,737,612,096 ⁽³⁾	100.00%	33.33%	\$ 32,078.80
Estimated True Value of Taxable Real Property, 2011	5,212,836,288	300.00%	100.00%	96,236.39
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 36,480,000	2.10%	0.70%	\$ 673.47
Self-Supporting Debt	-	0.00%	0.00%	-
Total Direct Bonded Debt	<u>\$ 36,480,000</u>	<u>2.10%</u>	<u>0.70%</u>	<u>\$ 673.47</u>
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 46,496,458	2.68%	0.89%	\$ 858.39
Other Than Schools	76,659,418	4.41%	1.47%	1,415.24
Total Overlapping Bonded Debt	<u>\$ 123,155,876</u>	<u>7.09%</u>	<u>2.36%</u>	<u>\$ 2,273.63</u>
Total Direct and Overlapping Bonded Debt	<u>\$ 159,635,876</u>	<u>9.19%</u>	<u>3.06%</u>	<u>\$ 2,947.11</u>
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 159,635,876	9.19%	3.06%	\$ 2,947.11

- 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, 2012".
3. The Village's 2011 equalized assessed valuation includes \$42,659,295 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, 2012)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments	Total Maturities		Levy	Property
	Property Taxes (2)	Annual Amount	Cumul. Percent	Year	Taxes
2013	2,060,000	2,060,000	5.6%	2012	3,360,666
2014	2,120,000	2,120,000	11.5%	2013	3,372,863
2015	2,180,000	2,180,000	17.4%	2014	3,387,083
2016	2,345,000	2,345,000	23.9%	2015	3,504,670
2017	2,470,000	2,470,000	30.6%	2016	3,566,837
2018	2,570,000	2,570,000	37.7%	2017	3,583,672
2019	2,680,000	2,680,000	45.0%	2018	3,604,335
2020	3,660,000	3,660,000	55.1%	2019	3,629,412
2021	3,000,000	3,000,000	63.3%	2020	3,703,802
2022	2,155,000	2,155,000	69.2%	2021	3,656,554
2023	1,475,000	1,475,000	73.2%	2022	1,971,763
2024	1,560,000	1,560,000	77.5%	2023	1,993,363
2025	1,650,000	1,650,000	82.0%	2024	2,020,963
2026	1,750,000	1,750,000	86.8%	2025	2,051,663
2027	1,850,000	1,850,000	91.9%	2026	2,076,413
2028	1,955,000	1,955,000	97.3%	2027	2,100,475
2029	1,000,000	1,000,000	100.0%	2028	1,057,500
	<u>\$36,480,000</u>	<u>\$36,480,000</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 \$1,706,824 as of December 31, 2012. 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 2006 Library Refunding Bonds, the Series 2009, 2009B and 2009C Bonds and the Series 2011A Library Refunding and 2011B Village Refunding Bonds and 2012 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 (\$13,690,000) 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
January 3, 2012	2,975,000	0.60%	0.60%	2.80%	2.80%	2,921.82	2,921.82

- Notes:
- Information in table pulled from applicable Official Statements.
 - Excludes the Village's general obligation bonds which are payable from non-property taxes.
 - 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				Increase Over Prior Year
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)		
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%)	
2011	1,694,952,801	42,659,295	1,737,612,096	(7.7%)	

- Notes:
- 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.
 - Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2010.
 - 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.
 - 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, 2012**

SCHOOL DISTRICTS:	Percent of Village's 2011 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%	10,600,000	95.068%	10,077,208
River Trails No. 26	28.2%	11,765,000	76.510%	9,001,402
Community Consolidated No. 59	27.7%	13,455,000	14.416%	1,939,673
Wheeling Community Consolidated No. 21	3.5%	34,729,204	3.118%	1,082,857
Prospect Heights No. 23	2.9%	1,560,000	7.502%	117,031
Arlington Heights No. 25	2.8%	5,120,000	2.572%	131,686
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	46,530,000	17.954%	8,353,996
Maine Township No. 207	0.2%	15,110,000	0.058%	8,764
Community Colleges:				
Harper No. 512	99.8%	178,285,000	8.853%	15,783,571
Total Schools				46,496,188
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,909,345,000	1.116%	43,628,291
Metropolitan Water Reclamation District	100.0%	2,466,464,000	1.139%	28,093,025
Park Districts:				
Mount Prospect	64.3%	7,070,000	62.516%	4,419,881
Arlington Heights	2.5%	20,159,547	1.570%	316,505
Des Plaines	1.6%	7,158,960	1.682%	120,414
Prospect Heights	3.6%	545,380	14.957%	81,572
Total Other Than Schools				76,659,688

- 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 2011 Real Property valuations.

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

Village of Mount Prospect:	Levy Years				
	2007	2008	2009	2010	2011
Bonds and Interest	\$ 0.071	\$ 0.093	\$ 0.076	\$ 0.098	\$ 0.105
Pensions (Police, Fire)	0.153	0.156	0.190	0.257	0.278
Corporate	0.416	0.393	0.399	0.377	0.444
Garbage	0.110	0.090	0.089	0.097	0.109
Total Village	\$ 0.750	\$ 0.732	\$ 0.754	\$ 0.829	\$ 0.936
Cook County, Including Forest Preserve District	0.499	0.466	0.443	0.474	0.520
Metropolitan Water Reclamation District	0.263	0.252	0.261	0.274	0.320
Mount Prospect Park District	0.411	0.407	0.411	0.453	0.502
Mount Prospect Public Library	0.439	0.441	0.450	0.519	0.582
Special Service Area No. 5	0.101	0.096	0.095	0.105	0.114
Community Consolidated School District No. 59	1.791	1.810	1.945	2.129	2.422
Township High School District No. 214	1.621	1.587	1.636	1.839	2.067
Harper College No. 512	0.260	0.256	0.258	0.295	0.334
All Other	0.077	0.067	0.093	0.080	0.116
Total (2)	\$ 6.212	\$ 6.114	\$ 6.346	\$ 6.997	\$ 7.913
Village as a Percent of Total	12.1%	12.0%	11.9%	11.8%	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, 2012 (Note 1)	
			Amount	Percent (2)
2007	2008	14,014,838	13,624,818	97.22%
2008	2009	14,472,269	14,191,667	98.06%
2009	2010	15,194,636	14,950,031	98.39%
2010	2011	15,194,635	15,121,878	99.52%
2011	2012	15,852,352	15,614,490	98.50%

- 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 55% 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	Rouse Company	Shopping Center	\$ 56,325,621	3.32%
2	First Industrial	Industrial Properties	25,001,049	1.48%
3	Home Properties Colony	Colony Square Apartments	22,581,450	1.33%
4	Stomad Centers, MP	Mount Prospect Plaza	16,237,892	0.96%
5	James Campbell Estate	Industrial Properties	14,585,124	0.86%
6	Washington Capital	Real Estate	12,752,359	0.75%
7	Cabot Industrial Properties	Industrial Properties	9,451,399	0.56%
8	Franklin JOI Central	Real Estate	9,180,395	0.54%
9	Bayshore Management Co.	Real Estate	8,310,695	0.49%
10	Huntington Square	Apartments	8,065,863	0.48%
			\$ 182,491,847	10.77%

- Notes: 1. Valuations as of January 1, 2011 for 2012 tax purposes.
 2. Total 2011 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,694,952,801.

2005 AND 2011 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2005	2011	% Increase	2005	2011
Residential	1,016,362,276	1,242,549,785	22.25%	63.72%	73.31%
Commercial	381,718,354	298,578,904	-21.78%	23.93%	17.62%
Industrial	196,556,462	152,864,606	-22.23%	12.32%	9.02%
Railroad	338,630	959,506	183.35%	0.02%	0.06%
Total	1,594,975,722	1,694,952,801	6.27%	100.00%	100.00%

* Excludes the incremental valuation in the Village's tax increment financing district (classified as commercial valuation). A breakdown by property classification of the Village's levy year 2012 valuation is not available as of the date of this report.

GENERAL FUND (Note 1)

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

	Actual				2012	
	2008	2009	2010	2011	Budget	Actual
Revenues:						
Property Taxes	10,438,261	10,738,759	11,719,530	11,596,829	12,206,500	12,099,210
Sales Taxes	10,066,919	9,055,194	10,388,196	11,809,779	12,262,000	12,252,909
State Income Taxes	5,326,270	4,573,162	4,428,176	4,328,196	4,590,000	4,759,513
Licenses, Permits & Fees	3,094,828	3,672,054	3,394,211	3,356,816	3,673,500	3,657,586
Utility Taxes	4,757,979	4,519,175	5,709,895	4,624,678	5,032,000	4,658,265
Charges for Service	1,511,172	1,691,169	1,655,275	1,694,638	1,747,644	1,741,906
Fines & Forfeits	720,351	529,655	556,178	548,993	742,000	403,036
Interest Income	256,844	64,955	43,540	23,067	25,000	29,927
Food & Beverage Tax	776,268	751,121	790,965	867,630	695,000	710,328
Real Estate Transfer Tax	643,082	405,300	379,942	363,194	516,000	515,330
All Other Revenues	3,491,085	2,864,926	1,646,416	1,959,168	1,822,900	1,789,713
Total Revenues	\$ 41,083,059	\$ 38,865,470	\$ 40,712,324	\$ 41,172,988	\$ 43,312,544	\$ 42,617,723
Expenditures:						
General Government						
Public Representation Division	163,820	119,564	155,765	108,809	118,553	110,257
Village Manager's Office	3,220,785	3,416,827	2,842,920	2,939,764	3,100,443	3,106,851
Finance Department	1,584,723	1,564,367	1,571,136	1,561,758	1,531,029	1,505,295
Community Development - Administration	710,403	649,803	625,171	628,017	674,363	644,281
Benefit Payments	45,460	45,590	45,724	45,861	46,005	46,004
Total General Government	\$ 5,725,191	\$ 5,796,151	\$ 5,240,716	\$ 5,284,209	\$ 5,470,393	\$ 5,412,688
Public Safety:						
Code Enforcement	849,746	859,191	909,852	837,639	779,202	739,004
Police Department	13,883,553	14,150,722	14,512,406	14,657,035	15,397,424	15,286,394
Fire & Emergency Protection Department	11,068,216	11,338,494	11,443,146	11,448,614	11,972,153	11,946,079
Total Public Safety	\$ 25,801,515	\$ 26,348,407	\$ 26,865,404	\$ 26,943,288	\$ 28,148,779	\$ 27,971,477
Highways & Streets	7,176,947	6,424,112	5,925,170	6,587,426	6,715,394	6,307,158
Health	119,067	126,152	125,512	137,445	150,196	143,295
Welfare	1,330,261	1,518,685	1,573,887	1,487,707	1,690,415	1,624,282
Culture & Recreation	381,892	358,207	313,125	346,032	409,972	399,366
Transfers Out	822,274	635,100	450,000	-	-	-
Total Expenditures	\$ 41,357,147	\$ 41,206,814	\$ 40,493,814	\$ 40,786,107	\$ 42,585,149	\$ 41,858,266
Revenues Over (Under) Expenditures	\$ (274,088)	\$ (2,341,344)	\$ 218,510	\$ 386,881	\$ 727,395	\$ 759,457
Ending Fund Balance	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991	\$ 10,804,872	\$ 11,532,267	\$ 11,564,329

Balance Sheet – December 31

Assets:	2008	2009	2010	2011	2012
Cash & Investments	\$ 6,906,762	\$ 3,478,913	\$ 4,067,456	\$ 5,512,091	\$ 7,352,604
Receivables					
Property Taxes	10,656,198	11,796,455	12,668,700	12,125,463	12,657,923
Other Taxes	1,255,498	882,194	5,553,370	5,707,230	5,290,786
All Other	319,515	453,866	484,576	461,664	448,569
Due From Other Funds	1,674,287	2,054,902	1,563,298	568,815	91,318
Due From Other Governments	3,034,026	3,839,368	409,880	94,142	274,942
All Other Assets	228,750	88,492	53,536	100,590	98,150
Total Assets	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>	<u>\$ 24,569,995</u>	<u>\$ 26,214,292</u>
Liabilities & Fund Balance					
Accounts Payable	\$ 612,347	\$ 466,189	\$ 669,697	\$ 530,670	\$ 621,570
Deferred Revenues					
Property Taxes	10,642,163	11,635,298	11,392,567	11,991,724	12,554,622
All Other Liabilities	279,701	293,222	2,320,561	1,242,729	1,473,771
Fund Balance:					
Nonspendable	228,750	88,492	53,536	100,590	98,150
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	12,312,075	10,110,989	10,364,455	10,704,282	11,466,179
Total Fund Balance	<u>\$ 12,540,825</u>	<u>\$ 10,199,481</u>	<u>\$ 10,417,991</u>	<u>\$ 10,804,872</u>	<u>\$ 11,564,329</u>
Total Liabilities & Fund Balance	<u>\$ 24,075,036</u>	<u>\$ 22,594,190</u>	<u>\$ 24,800,816</u>	<u>\$ 24,569,995</u>	<u>\$ 26,214,292</u>

- Notes: 1. This condensed financial information for the years ending December 31, 2008-2012 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 2008-2011 and Summary 2012 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

					Fiscal Year Ended December 31, 2012			
	2008	2009	2010	2011	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance
					Property Tax	Total		
Governmental Fund Types (2):								
General Fund *	\$ 12,540,825	\$ 10,199,481	\$ 10,417,991	\$ 10,804,872	\$ 12,099,210	\$ 42,617,723	\$ 759,457	\$ 11,564,329
Special Revenue Funds:								
Motor Fuel Tax	\$ (95,687)	\$ (448,734)	\$ (230,294)	\$ 336,394	\$ -	\$ 1,600,103	\$ 173,076	\$ 509,470
Community Development Block Grant	-	-	-	-	-	284,780	-	-
Refuse Disposal *	2,294,466	2,255,013	2,261,635	2,146,149	1,795,227	4,471,488	209,599	2,355,748
Asset Seizure	54,751	50,411	60,205	54,000	-	1,107	(13,521)	40,479
DEA shared Funds	31,857	19,209	16,749	4,909	-	10	10	4,919
DUI Fines	18,461	27,153	41,302	44,132	-	27,971	11,299	55,431
Foreign Fire Tax Fund	85,970	121,037	116,134	171,030	-	67,114	56,316	227,346
Justice Assistant Grant Fund	-	-	-	10,203	-	-	(9,368)	835
Business District Fund	-	-	-	77,195	-	771,512	356,925	434,120
Total Special Revenue	\$ 2,389,818	\$ 2,024,089	\$ 2,265,731	\$ 2,844,012	\$ 1,795,227	\$ 7,224,085	\$ 784,336	\$ 3,628,348
Debt Service *	(908,316)	(485,124)	(78,844)	131,372	1,739,795	2,418,139	4,445	135,817
Capital Projects (3)	2,480,123	6,378,469	4,531,304	3,559,985	2,751,190	6,232,684	3,970,945	7,530,930
Total Governmental	\$ 16,502,450	\$ 18,116,915	\$ 17,136,182	\$ 17,340,241	\$ 18,385,422	\$ 58,492,631	\$ 5,519,183	\$ 22,859,424
Proprietary & Fiduciary Fund Types								
Enterprise Funds (4):								
Water and Sewer *	\$ 27,379,256	\$ 28,090,349	\$ 31,469,468	31,708,474	\$ 1,515,605	\$ 12,477,464	\$ 1,347,522	33,055,996
Village Parking System	249,712	317,792	352,594	351,986	-	325,009	(20,706)	331,280
Internal Service Funds (5)	14,632,473	15,009,510	14,308,173	13,484,444	-	9,747,300	(63,782)	13,420,662
Pension Trust Funds:								
Police Pension	36,262,943	41,020,480	44,540,311	44,777,147	-	7,862,290	4,145,504	48,922,651
Firefighter's Pension	36,681,856	40,800,750	43,860,979	43,864,977	-	7,091,514	3,368,578	47,233,555
Total Proprietary & Fiduciary	\$ 115,206,240	\$ 125,238,881	\$ 134,531,525	\$ 134,059,623	\$ 1,515,605	\$ 37,503,577	\$ 8,777,116	\$ 142,964,144
Discretely Presented Component Unit:								
Mount Prospect Public Library	4,801,850	5,043,284	5,660,784	6,816,490	\$ 9,842,479	\$ 10,146,683	\$ 1,252,934	8,069,424
Total All Funds (Memo Only)	\$ 136,510,540	\$ 148,399,080	\$ 157,328,491	\$ 158,214,076	\$ 29,743,506	\$ 106,142,891	\$ 15,549,233	\$ 173,892,992

* Designated as major funds.

	2008	2009	2010	2011	2012
Cash & Investments at 12/31 (6):					
General Fund	\$ 6,906,762	\$ 3,478,913	\$ 4,067,456	\$ 5,512,091	\$ 7,352,604
Internal Service Funds	11,031,805	10,350,298	9,720,037	10,014,605	9,567,402
Refuse Disposal	2,055,278	2,005,380	1,885,464	1,969,567	2,022,049
Other Special Revenue Funds	464,682	227,363	258,648	592,878	1,179,343
Debt Service Funds	(238,703)	163,099	438,301	-	20,636
Subtotal	\$ 20,219,824	\$ 16,225,053	\$ 16,369,906	\$ 18,089,141	\$ 20,142,034
Capital Project Funds	2,323,527	8,621,164	3,635,004	3,221,653	6,657,075
Water & Sewer	4,231,532	3,648,859	3,148,880	2,709,629	4,356,739
Other Enterprise Funds	358,890	438,421	369,051	330,277	345,528
Pension Trust Funds	72,563,407	81,418,602	87,488,289	88,669,220	95,892,376
Other Fiduciary Funds	1,816,941	1,411,976	1,226,743	1,189,052	1,443,227
Discretely Presented Component Unit	5,174,060	4,668,713	4,070,978	5,485,383	6,321,919
Total	\$ 106,688,181	\$ 116,432,788	\$ 116,308,851	\$ 119,694,355	\$ 135,158,898

- Notes: 1. This condensed financial information for the years ending December 31, 2008-2012 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, 2012 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, 2008-2011. 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, 2012, 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, 2012)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,291,446	Land	\$ 17,551,172
Construction in Progress	\$ 583,824	Construction in Progress	\$ 182,815
Total Assets Not Being Depreciated	\$ 10,875,270	Total Assets Not Being Depreciated	\$ 17,733,987
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 38,009,332	Buildings and Improvements	\$ 4,499,808
Improvements Other Than Buildings	384,000	Equipment	3,646,309
Infrastructure and All Other	99,475,746	Infrastructure	18,910,378
Total Capital Assets Being Depreciated	\$ 137,869,078	Total Capital Assets Being Depreciated	\$ 27,056,495
Less Accumulated Depreciation	\$ 73,120,312	Less Accumulated Depreciation	\$ 18,224,107
Total Capital Assets Being Depreciated, Net	\$ 64,748,766	Total Capital Assets Being Depreciated, Net	\$ 8,832,388
Net Assets	\$ 75,624,036	Net Assets	\$ 26,566,375

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.