

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**REPORT ON SUPPLEMENTARY INFORMATION AND
REPORT ON MANAGEMENT'S ASSERTION OF
COMPLIANCE WITH PUBLIC ACT 85-1142**

**DOWNTOWN REDEVELOPMENT
CONSTRUCTION FUND**

For the Year Ended
December 31, 2015



VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND
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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable President
Members of the Board of Trustees
Mount Prospect, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mount Prospect, Illinois (the Village) as of and for the year ended December 31, 2015, which collectively comprise the basic financial statements of the Village and have issued our report thereon dated July 21, 2016, which expressed an unmodified opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and statement of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads 'Sikich LLP'.

Naperville, Illinois
July 21, 2016



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion included in its representation letter dated July 21, 2016, that the Village of Mount Prospect, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2015. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Mount Prospect, Illinois, complied with the aforementioned requirements for the year ended December 31, 2015, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptrollers office and the Joint Review Board and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Sikich LLP'.

Naperville, Illinois
July 21, 2016

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**BALANCE SHEET
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND**

December 31, 2015

ASSETS

ASSETS

Intergovernmental \$ 272,164

TOTAL ASSETS \$ 272,164

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable \$ 249,612

Due to other funds 469,881

Total liabilities 719,493

FUND BALANCE (DEFICIT)

Unassigned (447,329)

TOTAL LIABILITIES AND FUND BALANCE \$ 272,164

(See independent auditor's report on supplementary information.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND**

For the Year Ended December 31, 2015

REVENUES

Taxes	
Incremental property taxes	\$ 2,313,803
Intergovernmental	265,939
Investment income	<u>435</u>
 Total revenues	 <u>2,580,177</u>

EXPENDITURES

Capital outlay	
Public improvements	
Contractual services	494,345
Public improvements	2,996,480
Infrastructure	<u>192,085</u>
 Total expenditures	 <u>3,682,910</u>

NET CHANGE IN FUND BALANCE	(1,102,733)
 FUND BALANCE, JANUARY 1	 <u>655,404</u>
 FUND BALANCE (DEFICIT), DECEMBER 31	 <u><u>\$ (447,329)</u></u>

(See independent auditor's report on supplementary information.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**DOWNTOWN REDEVELOPMENT TAX INCREMENTAL
FINANCING DISTRICT NO.1**

FINANCIAL AND COMPLIANCE REPORT

YEAR ENDED DECEMBER 31, 2010

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 12, 2011

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

We have audited the accompanying basic financial statements of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2010. The basic financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Mount Prospect, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of December 31, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated May 12, 2011 on our consideration of the Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.



LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1

Combining Balance Sheet
December 31, 2010

	Capital Projects Downtown Redevelopment Construction	General Obligation Bond Series of 1998C	General Obligation Bond Series of 1999	Totals
ASSETS				
Cash and Investments	\$ 2,564,574	\$ (9,413)	\$ (70,675)	\$ 2,484,486
Receivables - Net of Allowances				
Property Taxes	277,007	-	-	277,007
Other	1,098,255	-	-	1,098,255
Total Assets	\$ 3,939,836	\$ (9,413)	\$ (70,675)	\$ 3,859,748
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 1,123,129	\$ -	\$ -	\$ 1,123,129
Fund Balance				
Unreserved	2,816,707	(9,413)	(70,675)	2,736,619
Total Liabilities and Fund Balance	\$ 3,939,836	\$ (9,413)	\$ (70,675)	\$ 3,859,748

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1

Combing Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2010

	Capital Projects Downtown Redevelopment Construction	General Obligation Bond Series of 1998C	General Obligation Bond Series of 1999	Totals
Revenues				
Property Taxes	\$ 2,197,631	\$ -	\$ -	\$ 2,197,631
Interest	1,933	-	-	1,933
Total Revenues	2,199,564	-	-	2,199,564
Expenditures				
Capital Outlay	1,593,951	-	-	1,593,951
Net Change in Fund Balance	605,613	-	-	605,613
Fund Balance - Beginning	2,211,094	(9,413)	(70,675)	2,131,006
Fund Balance - Ending	\$ 2,816,707	\$ (9,413)	\$ (70,675)	\$ 2,736,619

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

SUPPLEMENTAL INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1

Schedule Of Ending Fund Balances By Source
December 31, 2010 (Unaudited)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1986	Revenues	\$ -	\$ -	\$ 1,700,000	\$ 6,210	\$ 43,926	\$ 45,000	\$ 1,795,136
	Capital Expenditures	-	-	(687,904)	-	-	-	(687,904)
	Debt Service Expenditures	-	-	1,012,096	6,210	43,926	45,000	1,107,232
1987	Revenues	49,919	8,425	-	11,085	58,469	240	128,138
	Capital Expenditures	-	-	(512,900)	-	-	-	(512,900)
	Debt Service Expenditures	(49,919)	(8,425)	(23,661)	(17,295)	(102,395)	(45,240)	(246,935)
		-	-	475,535	-	-	-	475,535
1988	Revenues	53,511	-	1,995,008	12,055	49,430	803,301	2,913,305
	Capital Expenditures	-	-	(749,693)	-	-	-	(749,693)
	Debt Service Expenditures	(53,511)	-	(779,658)	(12,055)	(49,430)	(803,301)	(1,697,955)
		-	-	941,192	-	-	-	941,192
1989	Revenues	36,783	-	-	8,750	39,180	64,800	149,513
	Capital Expenditures	-	-	(248,508)	-	-	-	(248,508)
	Debt Service Expenditures	(36,783)	-	(13,043)	(8,750)	(39,180)	(64,800)	(162,556)
		-	-	679,641	-	-	-	679,641
1990	Revenues	39,995	-	-	15,297	34,265	-	89,557
	Capital Expenditures	-	-	(438,799)	-	-	-	(438,799)
	Debt Service Expenditures	(39,995)	-	(54,134)	(15,297)	(34,265)	-	(143,691)
		-	-	186,708	-	-	-	186,708
1991	Revenues	218,591	-	-	15,750	18,136	12,400	264,877
	Capital Expenditures	(75,039)	-	(255,229)	(15,750)	(18,136)	(12,400)	(376,554)
	Debt Service Expenditures	(143,552)	-	-	-	-	-	(143,552)
		-	-	(68,521)	-	-	-	(68,521)
1992	Revenues	309,684	-	743,640	18,175	38,789	-	1,110,288
	Capital Expenditures	-	-	(28,682)	(18,175)	(27,825)	-	(74,682)
	Debt Service Expenditures	(144,376)	-	(98,326)	-	(10,426)	-	(253,128)
		165,308	-	548,111	-	538	-	713,957
1993	Revenues	364,580	-	-	17,250	31,114	-	412,944
	Capital Expenditures	-	-	-	-	(11,197)	-	(11,197)
	Debt Service Expenditures	(197,196)	-	-	(17,250)	(20,455)	-	(234,901)
		332,692	-	548,111	-	-	-	880,803
1994	Revenues	504,283	-	647,397	-	48,113	33,431	1,233,224
	Capital Expenditures	-	-	(346,830)	52,054	(30,310)	(33,431)	(358,517)
	Debt Service Expenditures	(301,794)	-	-	(52,054)	(17,803)	-	(371,651)
		535,181	-	848,678	-	-	-	1,383,859
1995	Revenues	502,214	-	-	-	40,033	-	542,247
	Capital Expenditures	(125,206)	-	(848,678)	23,136	(40,033)	-	(990,781)
	Debt Service Expenditures	(356,043)	-	-	(23,136)	-	-	(379,179)
		556,146	-	-	-	-	-	556,146
1995(a)	Revenues	494,313	-	-	-	18,958	-	513,271
	Capital Expenditures	(224,220)	-	-	-	(18,958)	-	(243,178)
	Debt Service Expenditures	(452,783)	-	-	-	-	-	(452,783)
		373,456	-	-	-	-	-	373,456
1996	Revenues	578,327	-	750,000	-	52,040	146,632	1,526,999
	Capital Expenditures	-	-	(24,742)	-	-	(146,632)	(171,374)
	Debt Service Expenditures	(448,517)	-	-	-	(52,040)	-	(500,557)
		503,266	-	725,258	-	-	-	1,228,524
1997	Revenues	677,294	-	-	-	70,331	-	747,625
	Capital Expenditures	-	-	(488,803)	-	-	-	(488,803)
	Debt Service Expenditures	(604,358)	-	-	-	-	-	(604,358)
		576,202	-	236,455	-	70,331	-	882,988

(This schedule is continued on the following page.)

Fiscal Year	Description	Investment						Totals
		Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Income	Other Income	
1998	Revenues	\$ 776,759	\$ -	\$ 1,160,000	\$ -	\$ 29,766	\$ 102,549	\$ 2,069,074
	Capital Expenditures	-	-	(1,253,463)	-	(58,316)	(102,549)	(1,414,328)
	Debt Service Expenditures	(573,826)	-	-	-	(41,781)	-	(615,607)
		779,135	-	142,992	-	-	-	922,127
1999	Revenues	837,269	-	5,550,000	-	117,702	1,243,000	7,747,971
	Capital Expenditures	-	-	(3,958,099)	-	(117,702)	(1,243,000)	(5,318,801)
	Debt Service Expenditures	(876,249)	-	-	-	-	-	(876,249)
		740,155	-	1,734,893	-	-	-	2,475,048
2000	Revenues	801,036	-	-	-	96,917	1,135,360	2,033,313
	Capital Expenditures	-	-	(1,167,881)	-	(14,589)	(635,360)	(1,817,830)
	Debt Service Expenditures	(1,086,861)	-	-	-	(82,328)	(500,000)	(1,669,189)
		454,330	-	567,012	-	-	-	1,021,342
2001	Revenues	804,700	-	-	-	52,901	1,082,465	1,940,066
	Capital Expenditures	-	-	(473,520)	-	-	(582,465)	(1,055,985)
	Debt Service Expenditures	(758,200)	-	-	-	(52,901)	(500,000)	(1,311,101)
		500,830	-	93,492	-	-	-	594,322
2002	Revenues	912,882	-	-	-	16,780	-	929,662
	Capital Expenditures	(529,055)	-	(93,492)	-	-	(64)	(622,611)
	Debt Service Expenditures	(1,535,915)	-	-	-	(16,780)	-	(1,352,693)
	Bond Proceeds	-	-	-	-	-	635,064	635,064
	Payment of Bond Principal	-	-	-	-	-	(635,000)	(635,000)
	Transfer In	369,832	-	-	-	-	-	369,832
	Transfer Out	(369,832)	-	-	-	-	-	(369,832)
		(451,256)	-	-	-	-	-	(451,256)
2003	Revenues	1,185,391	-	-	-	10,533	177,474	1,373,398
	Capital Expenditures	(437,951)	-	-	-	-	-	(437,951)
	Debt Service Expenditures	(779,385)	-	-	-	-	-	(779,385)
	Sale of Village Property	-	-	-	-	-	1,225,000	1,225,000
		(483,201)	-	-	-	10,533	1,402,474	929,806
2004	Revenues	1,538,261	-	-	-	8,566	-	1,546,827
	Capital Expenditures	(123,399)	-	-	-	(19,096)	(2,107,505)	(2,250,000)
	Debt Service Expenditures	(911,175)	-	-	-	-	-	(911,175)
	Installment Contract Proce	-	-	-	-	-	705,000	705,000
	Transfer In	-	-	-	-	-	31	31
	Transfer Out	(31)	-	-	-	-	-	(31)
		20,455	-	-	-	3	-	20,458
2005	Revenues	1,862,132	-	-	-	37,605	36,087	1,935,824
	Capital Expenditures	-	-	-	-	(37,605)	(324,169)	(361,774)
	Debt Service Expenditures	(1,117,187)	-	-	-	-	-	(1,117,187)
	Sale of Village Property	-	-	-	-	-	1,053,150	1,053,150
	Transfer Out	-	-	-	-	(3)	3	-
		765,400	-	-	-	-	765,071	1,530,471
2006	Revenues	2,093,020	-	-	-	93,889	-	2,186,909
	Capital Expenditures	-	-	-	-	(93,889)	(711,987)	(805,876)
	Debt Service Expenditures	(1,032,562)	-	-	-	-	-	(1,032,562)
	Transfer In	-	-	-	-	-	16,513	16,513
	Transfer Out	-	-	-	-	-	(16,513)	(16,513)
		1,825,858	-	-	-	-	53,084	1,878,942
2007	Revenues	2,617,155	-	-	-	115,701	-	2,732,856
	Capital Expenditures	(134,177)	-	-	-	(115,701)	(53,084)	(302,962)
	Debt Service Expenditures	(1,463,706)	-	-	-	-	-	(1,463,706)
		2,845,130	-	-	-	-	-	2,845,130
2008	Revenues	2,212,251	-	-	-	44,541	-	2,256,792
	Capital Expenditures	(2,702,899)	-	-	-	(44,541)	-	(2,747,440)
	Debt Service Expenditures	(2,131,078)	-	-	-	-	-	(2,131,078)
		223,404	-	-	-	-	-	223,404
2009	Revenues	2,276,442	-	-	-	1,608	1,752	2,279,802
	Capital Expenditures	(368,842)	-	-	-	(1,608)	(1,752)	(372,202)
		2,131,004	-	-	-	-	-	2,131,004
2010	Revenues	2,197,631	-	-	-	1,933	-	2,199,564
	Capital Expenditures	(1,592,018)	-	-	-	(1,933)	-	(1,593,951)
		2,736,617	-	-	-	-	-	2,736,617

(a) During 1995, the Village changed its fiscal year-end from April 30 to December 31. The data for this fiscal period pertains to May 1 - December 31.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

May 12, 2011

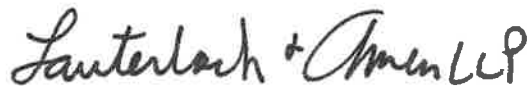
The Honorable Mayor
Members of the Board of Trustees
Village of Mount Prospect, Illinois

We have audited the accompanying basic financial statements of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Mount Prospect's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.



LAUTERBACH & AMEN, LLP

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**DOWNTOWN REDEVELOPMENT TAX INCREMENTAL
FINANCING DISTRICT NO.1**

FINANCIAL AND COMPLIANCE REPORT

YEAR ENDED DECEMBER 31, 2011

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GENERALLY ACCEPTED AUDITING STANDARDS 6**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 10, 2012

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

We have audited the accompanying basic financial statements of the governmental activities of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2011. The basic financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Mount Prospect, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated May 10, 2012 on our consideration of the Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.



LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Combining Balance Sheet
December 31, 2011**

	Capital Projects Downtown Redevelopment Construction	General Obligation Bond Series of 1998C	General Obligation Bond Series of 1999	Totals
ASSETS				
Cash and Investments	\$ 1,201,064	\$ -	\$ -	\$ 1,201,064
Receivables - Net of Allowances				
Property Taxes	122,964	-	-	122,964
Total Assets	\$ 1,324,028	\$ -	\$ -	\$ 1,324,028
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 29,140	\$ -	\$ -	\$ 29,140
Fund Balances				
Assigned	1,294,888	-	-	1,294,888
Unassigned	-	-	-	-
Total Fund Balances	1,294,888	-	-	1,294,888
Total Liabilities and Fund Balance	\$ 1,324,028	\$ -	\$ -	\$ 1,324,028

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Combing Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2011**

	Capital Projects Downtown Redevelopment Construction	General Obligation Bond Series of 1998C	General Obligation Bond Series of 1999	Totals
Revenues				
Property Taxes	\$ 2,821,198	\$ -	\$ -	\$ 2,821,198
Interest	342	-	-	342
Total Revenues	2,821,540	-	-	2,821,540
Expenditures				
Capital Outlay	4,263,270	-	-	4,263,270
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(1,441,730)	-	-	(1,441,730)
Other Financing (Uses)				
Transfers Out	(80,089)	9,413	70,675	(1)
Net Change in Fund Balance				
	(1,521,819)	9,413	70,675	(1,441,731)
Fund Balances - Beginning				
	2,816,707	(9,413)	(70,675)	2,736,619
Fund Balances - Ending				
	\$ 1,294,888	\$ -	\$ -	\$ 1,294,888

SUPPLEMENTAL INFORMATION

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Schedule of Ending Fund Balances by Source
December 31, 2011 (Unaudited)**

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1986	Revenues	\$ -	\$ -	\$ 1,700,000	\$ 6,210	\$ 43,926	\$ 45,000	\$ 1,795,136
	Capital Expenditures	-	-	(687,904)	-	-	-	(687,904)
		-	-	1,012,096	6,210	43,926	45,000	1,107,232
1987	Revenues	49,919	8,425	-	11,085	58,469	240	128,138
	Capital Expenditures	-	-	(512,900)	-	-	-	(512,900)
	Debt Service Expenditure:	(49,919)	(8,425)	(23,661)	(17,295)	(102,395)	(45,240)	(246,935)
	-	-	475,535	-	-	-	475,535	
1988	Revenues	53,511	-	1,995,008	12,055	49,430	803,301	2,913,305
	Capital Expenditures	-	-	(749,693)	-	-	-	(749,693)
	Debt Service Expenditure:	(53,511)	-	(779,658)	(12,055)	(49,430)	(803,301)	(1,697,955)
	-	-	941,192	-	-	-	941,192	
1989	Revenues	36,783	-	-	8,750	39,180	64,800	149,513
	Capital Expenditures	-	-	(248,508)	-	-	-	(248,508)
	Debt Service Expenditure:	(36,783)	-	(13,043)	(8,750)	(39,180)	(64,800)	(162,556)
	-	-	679,641	-	-	-	679,641	
1990	Revenues	39,995	-	-	15,297	34,265	-	89,557
	Capital Expenditures	-	-	(438,799)	-	-	-	(438,799)
	Debt Service Expenditure:	(39,995)	-	(54,134)	(15,297)	(34,265)	-	(143,691)
	-	-	186,708	-	-	-	186,708	
1991	Revenues	218,591	-	-	15,750	18,136	12,400	264,877
	Capital Expenditures	(75,039)	-	(255,229)	(15,750)	(18,136)	(12,400)	(376,554)
	Debt Service Expenditure:	(143,552)	-	-	-	-	-	(143,552)
	-	-	(68,521)	-	-	-	(68,521)	
1992	Revenues	309,684	-	743,640	18,175	38,789	-	1,110,288
	Capital Expenditures	-	-	(28,682)	(18,175)	(27,825)	-	(74,682)
	Debt Service Expenditure:	(144,376)	-	(98,326)	-	(10,426)	-	(253,128)
	165,308	-	548,111	-	538	-	713,957	
1993	Revenues	364,580	-	-	17,250	31,114	-	412,944
	Capital Expenditures	-	-	-	-	(11,197)	-	(11,197)
	Debt Service Expenditure:	(197,196)	-	-	(17,250)	(20,455)	-	(234,901)
	332,692	-	548,111	-	-	-	880,803	
1994	Revenues	504,283	-	647,397	-	48,113	33,431	1,233,224
	Capital Expenditures	-	-	(346,830)	52,054	(30,310)	(33,431)	(358,517)
	Debt Service Expenditure:	(301,794)	-	-	(52,054)	(17,803)	-	(371,651)
	535,181	-	848,678	-	-	-	1,383,859	
1995	Revenues	502,214	-	-	-	40,033	-	542,247
	Capital Expenditures	(125,206)	-	(848,678)	23,136	(40,033)	-	(990,781)
	Debt Service Expenditure:	(356,043)	-	-	(23,136)	-	-	(379,179)
	556,146	-	-	-	-	-	556,146	
1995(a)	Revenues	494,313	-	-	-	18,958	-	513,271
	Capital Expenditures	(224,220)	-	-	-	(18,958)	-	(243,178)
	Debt Service Expenditure:	(452,783)	-	-	-	-	-	(452,783)
	373,456	-	-	-	-	-	373,456	
1996	Revenues	578,327	-	750,000	-	52,040	146,632	1,526,999
	Capital Expenditures	-	-	(24,742)	-	-	(146,632)	(171,374)
	Debt Service Expenditure:	(448,517)	-	-	-	(52,040)	-	(500,557)
	503,266	-	725,258	-	-	-	1,228,524	
1997	Revenues	677,294	-	-	-	70,331	-	747,625
	Capital Expenditures	-	-	(488,803)	-	-	-	(488,803)
	Debt Service Expenditure:	(604,358)	-	-	-	-	-	(604,358)
	576,202	-	236,455	-	70,331	-	882,988	
1998	Revenues	776,759	-	1,160,000	-	29,766	102,549	2,069,074
	Capital Expenditures	-	-	(1,253,463)	-	(58,316)	(102,549)	(1,414,328)
	Debt Service Expenditure:	(573,826)	-	-	-	(41,781)	-	(615,607)
	779,135	-	142,992	-	-	-	922,127	

(This schedule is continued on the following page.)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1999	Revenues	\$ 837,269.00	\$ -	\$ 5,550,000.00	\$ -	\$ 117,702.00	\$ 1,243,000.00	\$ 7,747,971.00
	Capital Expenditures	-	-	(3,958,099)	-	(117,702)	(1,243,000)	(5,318,801)
	Debt Service Expenditure:	(876,249)	-	-	-	-	-	(876,249)
		740,155	-	1,734,893	-	-	-	2,475,048
2000	Revenues	801,036	-	-	-	96,917	1,135,360	2,033,313
	Capital Expenditures	-	-	(1,167,881)	-	(14,589)	(635,360)	(1,817,830)
	Debt Service Expenditure:	(1,086,861)	-	-	-	(82,328)	(500,000)	(1,669,189)
		454,330	-	567,012	-	-	-	1,021,342
2001	Revenues	804,700	-	-	-	52,901	1,082,465	1,940,066
	Capital Expenditures	-	-	(473,520)	-	-	(582,465)	(1,055,985)
	Debt Service Expenditure:	(758,200)	-	-	-	(52,901)	(500,000)	(1,311,101)
		500,830	-	93,492	-	-	-	594,322
2002	Revenues	912,882	-	-	-	16,780	-	929,662
	Capital Expenditures	(529,055)	-	(93,492)	-	-	(64)	(622,611)
	Debt Service Expenditure:	(1,335,913)	-	-	-	(16,780)	-	(1,352,693)
	Bond Proceeds	-	-	-	-	-	635,064	635,064
	Payment of Bond Principa	-	-	-	-	-	(635,000)	(635,000)
	Transfer In	369,832	-	-	-	-	-	369,832
	Transfer Out	(369,832)	-	-	-	-	-	(369,832)
		(451,256)	-	-	-	-	-	(451,256)
2003	Revenues	1,185,391	-	-	-	10,533	177,474	1,373,398
	Capital Expenditures	(437,951)	-	-	-	-	-	(437,951)
	Debt Service Expenditure:	(779,385)	-	-	-	-	-	(779,385)
	Sale of Village Property	-	-	-	-	-	1,225,000	1,225,000
		(483,201)	-	-	-	10,533	1,402,474	929,806
2004	Revenues	1,538,261	-	-	-	8,566	-	1,546,827
	Capital Expenditures	(123,399)	-	-	-	(19,096)	(2,107,505)	(2,250,000)
	Debt Service Expenditure:	(911,175)	-	-	-	-	-	(911,175)
	Installment Contract Proce	-	-	-	-	-	705,000	705,000
	Transfer In	-	-	-	-	-	31	31
	Transfer Out	(31)	-	-	-	-	-	(31)
		20,455	-	-	-	3	-	20,458
2005	Revenues	1,862,132	-	-	-	37,605	36,087	1,935,824
	Capital Expenditures	-	-	-	-	(37,605)	(324,169)	(361,774)
	Debt Service Expenditure:	(1,117,187)	-	-	-	-	-	(1,117,187)
	Sale of Village Property	-	-	-	-	-	1,053,150	1,053,150
	Transfer Out	-	-	-	-	(3)	3	-
		765,400	-	-	-	-	765,071	1,530,471
2006	Revenues	2,093,020	-	-	-	93,889	-	2,186,909
	Capital Expenditures	-	-	-	-	(93,889)	(711,987)	(805,876)
	Debt Service Expenditure:	(1,032,562)	-	-	-	-	-	(1,032,562)
	Transfer In	-	-	-	-	-	16,513	16,513
	Transfer Out	-	-	-	-	-	(16,513)	(16,513)
		1,825,858	-	-	-	-	53,084	1,878,942
2007	Revenues	2,617,155	-	-	-	115,701	-	2,732,856
	Capital Expenditures	(134,177)	-	-	-	(115,701)	(53,084)	(302,962)
	Debt Service Expenditure:	(1,463,706)	-	-	-	-	-	(1,463,706)
		2,845,130	-	-	-	-	-	2,845,130
2008	Revenues	2,212,251	-	-	-	44,541	-	2,256,792
	Capital Expenditures	(2,702,899)	-	-	-	(44,541)	-	(2,747,440)
	Debt Service Expenditure:	(2,131,078)	-	-	-	-	-	(2,131,078)
		223,404	-	-	-	-	-	223,404
2009	Revenues	2,276,442	-	-	-	1,608	1,752	2,279,802
	Capital Expenditures	(368,840)	-	-	-	(1,608)	(1,752)	(372,200)
		2,131,006	-	-	-	-	-	2,131,006
2010	Revenues	2,197,631	-	-	-	1,933	-	2,199,564
	Capital Expenditures	(1,592,018)	-	-	-	(1,933)	-	(1,593,951)
		2,736,619	-	-	-	-	-	2,736,619
2011	Revenues	2,821,198	-	-	-	342	-	2,821,540
	Capital Expenditures	(4,262,928)	-	-	-	(342)	-	(4,263,270)
	Transfer Out	-	-	-	-	-	(1)	(1)
		1,294,889	-	-	-	-	(1)	1,294,888

(a) During 1995, the Village changed its fiscal year-end from April 30 to December 31. The data for this fiscal period pertains to May 1 - December 31.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

May 10, 2012

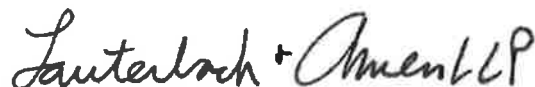
The Honorable Mayor
Members of the Board of Trustees
Village of Mount Prospect, Illinois

We have audited the accompanying basic financial statements of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, as of and for the year ended December 31, 2011, and have issued our report thereon dated May 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Mount Prospect's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.



LAUTERBACH & AMEN, LLP

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**DOWNTOWN REDEVELOPMENT TAX INCREMENTAL
FINANCING DISTRICT NO.1**

FINANCIAL AND COMPLIANCE REPORT

YEAR ENDED DECEMBER 31, 2012

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GENERALLY ACCEPTED AUDITING STANDARDS6**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 13, 2013

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

We have audited the accompanying basic financial statements of the governmental activities of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2012. The basic financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Mount Prospect, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of December 31, 2012, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated May 13, 2013 on our consideration of the Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.



LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Combining Balance Sheet
December 31, 2012**

	<u>Capital Projects Downtown Redevelopment Construction</u>
ASSETS	
Cash and Investments	\$ 1,161,048
Receivables - Net of Allowances	
Property Taxes	<u>236,399</u>
Total Assets	<u>\$ 1,397,447</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 35,250
Other Payables	<u>77</u>
Total Liabilities	35,327
Fund Balances	
Assigned	<u>1,362,120</u>
Total Liabilities and Fund Balances	<u>\$ 1,397,447</u>

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Combing Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2012**

	<u>Capital Projects Downtown Redevelopment Construction</u>
Revenues	
Property Taxes	\$ 2,751,190
Expenditures	
Capital Outlay	<u>2,683,958</u>
Net Change in Fund Balance	67,232
Fund Balances - Beginning	<u>1,294,888</u>
Fund Balances - Ending	<u><u>\$ 1,362,120</u></u>

SUPPLEMENTAL INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1

Schedule of Ending Fund Balances by Source
December 31, 2012 (Unaudited)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1986	Revenues	\$ -	\$ -	\$ 1,700,000	\$ 6,210	\$ 43,926	\$ 45,000	\$ 1,795,136
	Capital Expenditures	-	-	(687,904)	-	-	-	(687,904)
		-	-	1,012,096	6,210	43,926	45,000	1,107,232
1987	Revenues	49,919	8,425	-	11,085	58,469	240	128,138
	Capital Expenditures	-	-	(512,900)	-	-	-	(512,900)
	Debt Service Expenditures	(49,919)	(8,425)	(23,661)	(17,295)	(102,395)	(45,240)	(246,935)
		-	-	475,535	-	-	-	475,535
1988	Revenues	53,511	-	1,995,008	12,055	49,430	803,301	2,913,305
	Capital Expenditures	-	-	(749,693)	-	-	-	(749,693)
	Debt Service Expenditures	(53,511)	-	(779,658)	(12,055)	(49,430)	(803,301)	(1,697,955)
		-	-	941,192	-	-	-	941,192
1989	Revenues	36,783	-	-	8,750	39,180	64,800	149,513
	Capital Expenditures	-	-	(248,508)	-	-	-	(248,508)
	Debt Service Expenditures	(36,783)	-	(13,043)	(8,750)	(39,180)	(64,800)	(162,556)
		-	-	679,641	-	-	-	679,641
1990	Revenues	39,995	-	-	15,297	34,265	-	89,557
	Capital Expenditures	-	-	(438,799)	-	-	-	(438,799)
	Debt Service Expenditures	(39,995)	-	(54,134)	(15,297)	(34,265)	-	(143,691)
		-	-	186,708	-	-	-	186,708
1991	Revenues	218,591	-	-	15,750	18,136	12,400	264,877
	Capital Expenditures	(75,039)	-	(255,229)	(15,750)	(18,136)	(12,400)	(376,554)
	Debt Service Expenditures	(143,552)	-	-	-	-	-	(143,552)
		-	-	(68,321)	-	-	-	(68,321)
1992	Revenues	309,684	-	743,640	18,175	38,789	-	1,110,288
	Capital Expenditures	-	-	(28,682)	(18,175)	(27,825)	-	(74,682)
	Debt Service Expenditures	(144,376)	-	(98,326)	-	(10,426)	-	(253,128)
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1993	Revenues	364,580	-	-	17,250	31,114	-	412,944
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1994	Revenues	504,283	-	647,397	-	48,113	33,431	1,233,224
	Capital Expenditures	-	-	(346,830)	-	(30,310)	(33,431)	(358,517)
	Debt Service Expenditures	(301,794)	-	-	52,054	(17,803)	-	(371,651)
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	Capital Expenditures	(125,206)	-	(848,678)	-	(40,033)	-	(990,781)
	Debt Service Expenditures	(356,043)	-	-	23,136	-	-	(379,179)
		556,146	-	-	(23,136)	-	-	556,146
1995(a)	Revenues	494,313	-	-	-	18,958	-	513,271
	Capital Expenditures	(224,220)	-	-	-	(18,958)	-	(243,178)
	Debt Service Expenditures	(452,783)	-	-	-	-	-	(452,783)
		373,456	-	-	-	-	-	373,456
1996	Revenues	578,327	-	750,000	-	52,040	146,632	1,526,999
	Capital Expenditures	-	-	(24,742)	-	-	(146,632)	(171,374)
	Debt Service Expenditures	(448,517)	-	-	-	(52,040)	-	(500,557)
		503,266	-	725,258	-	-	-	1,228,524
1997	Revenues	677,294	-	-	-	70,331	-	747,625
	Capital Expenditures	-	-	(488,803)	-	-	-	(488,803)
	Debt Service Expenditures	(604,358)	-	-	-	-	-	(604,358)
		576,202	-	236,455	-	70,331	-	882,988
1998	Revenues	776,759	-	1,160,000	-	29,766	102,549	2,069,074
	Capital Expenditures	-	-	(1,253,463)	-	(58,316)	(102,549)	(1,414,328)
	Debt Service Expenditures	(573,826)	-	-	-	(41,781)	-	(615,607)
		779,135	-	142,992	-	-	-	922,127

(This schedule is continued on the following page.)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1999	Revenues	\$ 837,269.00	\$ -	\$ 5,550,000.00	\$ -	\$ 117,702.00	\$ 1,243,000.00	\$ 7,747,971.00
	Capital Expenditures	-	-	(3,958,099)	-	(117,702)	(1,243,000)	(5,318,801)
	Debt Service Expenditures	(876,249)	-	-	-	-	-	(876,249)
		740,155	-	1,734,893	-	-	-	2,475,048
2000	Revenues	801,036	-	-	-	96,917	1,135,360	2,033,313
	Capital Expenditures	-	-	(1,167,881)	-	(14,589)	(635,360)	(1,817,830)
	Debt Service Expenditures	(1,086,861)	-	-	-	(82,328)	(500,000)	(1,669,189)
		454,330	-	567,012	-	-	-	1,021,342
2001	Revenues	804,700	-	-	-	52,901	1,082,465	1,940,066
	Capital Expenditures	-	-	(473,520)	-	-	(582,465)	(1,055,985)
	Debt Service Expenditures	(758,200)	-	-	-	(52,901)	(500,000)	(1,311,101)
		500,830	-	93,492	-	-	-	594,322
2002	Revenues	912,882	-	-	-	16,780	-	929,662
	Capital Expenditures	(529,055)	-	(93,492)	-	-	(64)	(622,611)
	Debt Service Expenditures	(1,335,913)	-	-	-	(16,780)	-	(1,352,693)
	Bond Proceeds	-	-	-	-	-	635,064	635,064
	Payment of Bond Principal	-	-	-	-	-	(635,000)	(635,000)
	Transfer In	369,832	-	-	-	-	-	369,832
	Transfer Out	(369,832)	-	-	-	-	-	(369,832)
		(451,256)	-	-	-	-	-	(451,256)
2003	Revenues	1,185,391	-	-	-	10,533	177,474	1,373,398
	Capital Expenditures	(437,951)	-	-	-	-	-	(437,951)
	Debt Service Expenditures	(779,385)	-	-	-	-	-	(779,385)
	Sale of Village Property	-	-	-	-	-	1,225,000	1,225,000
		(483,201)	-	-	-	10,533	1,402,474	929,806
2004	Revenues	1,538,261	-	-	-	8,566	-	1,546,827
	Capital Expenditures	(123,399)	-	-	-	(19,096)	(2,107,505)	(2,250,000)
	Debt Service Expenditures	(911,175)	-	-	-	-	-	(911,175)
	Installment Contract Proceeds	-	-	-	-	-	705,000	705,000
	Transfer In	-	-	-	-	-	31	31
	Transfer Out	(31)	-	-	-	-	-	(31)
		20,455	-	-	-	3	-	20,458
2005	Revenues	1,862,132	-	-	-	37,605	36,087	1,935,824
	Capital Expenditures	-	-	-	-	(37,605)	(324,169)	(361,774)
	Debt Service Expenditures	(1,117,187)	-	-	-	-	-	(1,117,187)
	Sale of Village Property	-	-	-	-	-	1,053,150	1,053,150
	Transfer Out	-	-	-	-	(3)	3	-
		765,400	-	-	-	-	765,071	1,530,471
2006	Revenues	2,093,020	-	-	-	93,889	-	2,186,909
	Capital Expenditures	-	-	-	-	(93,889)	(711,987)	(805,876)
	Debt Service Expenditures	(1,032,562)	-	-	-	-	-	(1,032,562)
	Transfer In	-	-	-	-	-	16,513	16,513
	Transfer Out	-	-	-	-	-	(16,513)	(16,513)
		1,825,858	-	-	-	-	53,084	1,878,942
2007	Revenues	2,617,155	-	-	-	115,701	-	2,732,856
	Capital Expenditures	(134,177)	-	-	-	(115,701)	(53,084)	(302,962)
	Debt Service Expenditures	(1,463,706)	-	-	-	-	-	(1,463,706)
		2,845,130	-	-	-	-	-	2,845,130
2008	Revenues	2,212,251	-	-	-	44,541	-	2,256,792
	Capital Expenditures	(2,702,899)	-	-	-	(44,541)	-	(2,747,440)
	Debt Service Expenditures	(2,131,078)	-	-	-	-	-	(2,131,078)
		223,404	-	-	-	-	-	223,404
2009	Revenues	2,276,442	-	-	-	1,608	1,752	2,279,802
	Capital Expenditures	(368,840)	-	-	-	(1,608)	(1,752)	(372,200)
		2,131,006	-	-	-	-	-	2,131,006
2010	Revenues	2,197,631	-	-	-	1,933	-	2,199,564
	Capital Expenditures	(1,592,018)	-	-	-	(1,933)	-	(1,593,951)
		2,736,619	-	-	-	-	-	2,736,619
2011	Revenues	2,821,198	-	-	-	342	-	2,821,540
	Capital Expenditures	(4,262,928)	-	-	-	(342)	-	(4,263,270)
	Transfer Out	(1)	-	-	-	-	-	(1)
		1,294,888	-	-	-	-	-	1,294,888
2012	Revenues	2,751,190	-	-	-	-	-	2,751,190
	Capital Expenditures	(2,683,958)	-	-	-	-	-	(2,683,958)
		1,362,120	-	-	-	-	-	1,362,120

(a) During 1995, the Village changed its fiscal year-end from April 30 to December 31. The data for this fiscal period pertains to May 1 - December 31.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

May 13, 2013

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

We have audited the accompanying basic financial statements of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, as of and for the year ended December 31, 2012, and have issued our report thereon dated May 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Mount Prospect's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.

LAUTERBACH & AMEN, LLP

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**DOWNTOWN REDEVELOPMENT TAX INCREMENTAL
FINANCING DISTRICT NO.1**

FINANCIAL AND COMPLIANCE REPORT

FISCAL YEAR ENDED DECEMBER 31, 2013

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GENERALLY ACCEPTED AUDITING STANDARDS6**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 12, 2014

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

We have audited the accompanying basic financial statements of the governmental activities of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of and for the year ended December 31, 2013. The basic financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the basic financial statements, the basic financial statements present only the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, and are not intended to present fairly the financial position or results of operations of the Village of Mount Prospect, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois as of December 31, 2013, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated May 12, 2014 on our consideration of the Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.

LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Balance Sheet
December 31, 2013**

	<u>Capital Projects Downtown Redevelopment Construction</u>
ASSETS	
Cash and Investments	\$ 907,763
Receivables - Net of Allowances	
Property Taxes	<u>242,744</u>
Total Assets	<u><u>\$ 1,150,507</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 81,574
Fund Balances	
Assigned	<u>1,068,933</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,150,507</u></u>

**VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended December 31, 2013**

	<u>Capital Projects Downtown Redevelopment Construction</u>
Revenues	
Property Taxes	\$ 2,664,680
Interest	1,066
Total Revenues	<u>2,665,746</u>
Expenditures	
Capital Outlay	<u>2,958,933</u>
Net Change in Fund Balance	(293,187)
Fund Balances - Beginning	<u>1,362,120</u>
Fund Balances - Ending	<u>\$ 1,068,933</u>

SUPPLEMENTAL INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS
DOWNTOWN REDEVELOPMENT TAX INCREMENTAL FINANCING DISTRICT NO. 1

Schedule of Ending Fund Balances by Source
December 31, 2013 (Unaudited)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1986	Revenues	\$ -	\$ -	\$ 1,700,000	\$ 6,210	\$ 43,926	\$ 45,000	\$ 1,795,136
	Capital Expenditures	-	-	(687,904)	-	-	-	(687,904)
	Debt Service Expenditures	-	-	1,012,096	6,210	43,926	45,000	1,107,232
1987	Revenues	49,919	8,425	-	11,085	58,469	240	128,138
	Capital Expenditures	-	-	(512,900)	-	-	-	(512,900)
	Debt Service Expenditures	(49,919)	(8,425)	(779,661)	(17,295)	(102,395)	(45,240)	(246,935)
		-	-	475,535	-	-	-	475,535
1988	Revenues	53,511	-	1,995,008	12,055	49,430	803,301	2,913,305
	Capital Expenditures	-	-	(749,693)	-	-	-	(749,693)
	Debt Service Expenditures	(53,511)	-	(779,658)	(12,055)	(49,430)	(803,301)	(1,697,955)
		-	-	941,192	-	-	-	941,192
1989	Revenues	36,783	-	-	8,750	39,180	64,800	149,513
	Capital Expenditures	-	-	(248,508)	-	-	-	(248,508)
	Debt Service Expenditures	(36,783)	-	(13,043)	(8,750)	(39,180)	(64,800)	(162,556)
		-	-	679,641	-	-	-	679,641
1990	Revenues	39,995	-	-	15,297	34,265	-	89,557
	Capital Expenditures	-	-	(438,799)	-	-	-	(438,799)
	Debt Service Expenditures	(39,995)	-	(54,134)	(15,297)	(34,265)	-	(143,691)
		-	-	186,708	-	-	-	186,708
1991	Revenues	218,591	-	-	15,750	18,136	12,400	264,877
	Capital Expenditures	(75,039)	-	(255,229)	(15,750)	(18,136)	(12,400)	(376,554)
	Debt Service Expenditures	(143,552)	-	-	-	-	-	(143,552)
		-	-	(68,521)	-	-	-	(68,521)
1992	Revenues	309,684	-	743,640	18,175	38,789	-	1,110,288
	Capital Expenditures	-	-	(28,682)	(18,175)	(27,825)	-	(74,682)
	Debt Service Expenditures	(144,376)	-	(98,326)	-	(10,426)	-	(253,128)
		165,308	-	548,111	-	538	-	713,957
1993	Revenues	364,580	-	-	17,250	31,114	-	412,944
	Capital Expenditures	-	-	-	-	(11,197)	-	(11,197)
	Debt Service Expenditures	(197,196)	-	-	(17,250)	(20,455)	-	(234,901)
		332,692	-	548,111	-	-	-	880,803
1994	Revenues	504,283	-	647,397	-	48,113	33,431	1,233,224
	Capital Expenditures	-	-	(346,830)	52,054	(30,310)	(33,431)	(358,517)
	Debt Service Expenditures	(301,794)	-	-	(52,054)	(17,803)	-	(371,651)
		535,181	-	848,678	-	-	-	1,383,859
1995	Revenues	502,214	-	-	-	40,033	-	542,247
	Capital Expenditures	(125,206)	-	(848,678)	23,136	(40,033)	-	(990,781)
	Debt Service Expenditures	(356,043)	-	-	(23,136)	-	-	(379,179)
		556,146	-	-	-	-	-	556,146
1995(a)	Revenues	494,313	-	-	-	18,958	-	513,271
	Capital Expenditures	(224,220)	-	-	-	(18,958)	-	(243,178)
	Debt Service Expenditures	(452,783)	-	-	-	-	-	(452,783)
		373,456	-	-	-	-	-	373,456
1996	Revenues	578,327	-	750,000	-	52,040	146,632	1,526,999
	Capital Expenditures	-	-	(24,742)	-	-	(146,632)	(171,374)
	Debt Service Expenditures	(448,517)	-	-	-	(52,040)	-	(500,557)
		503,266	-	725,258	-	-	-	1,228,524
1997	Revenues	677,294	-	-	-	70,331	-	747,625
	Capital Expenditures	-	-	(488,803)	-	-	-	(488,803)
	Debt Service Expenditures	(604,358)	-	-	-	-	-	(604,358)
		576,202	-	236,455	-	70,331	-	882,988
1998	Revenues	776,759	-	1,160,000	-	29,766	102,549	2,069,074
	Capital Expenditures	-	-	(1,253,463)	-	(58,316)	(102,549)	(1,414,328)
	Debt Service Expenditures	(573,826)	-	-	-	(41,781)	-	(615,607)
		779,135	-	142,992	-	-	-	922,127

(This schedule is continued on the following page.)

Fiscal Year	Description	Property Taxes	Sales Taxes	Bond Proceeds	Rental Income	Investment Income	Other Income	Totals
1999	Revenues	\$ 837,269.00	\$ -	\$ 5,550,000.00	\$ -	\$ 117,702.00	\$ 1,243,000.00	\$ 7,747,971.00
	Capital Expenditures	-	-	(3,958,099)	-	(117,702)	(1,243,000)	(5,318,801)
	Debt Service Expenditures	(876,249)	-	-	-	-	-	(876,249)
		740,155	-	1,734,893	-	-	-	2,475,048
2000	Revenues	801,036	-	-	-	96,917	1,135,360	2,033,313
	Capital Expenditures	-	-	(1,167,881)	-	(14,589)	(635,360)	(1,817,830)
	Debt Service Expenditures	(1,086,861)	-	-	-	(82,328)	(500,000)	(1,669,189)
		454,330	-	567,012	-	-	-	1,021,342
2001	Revenues	804,700	-	-	-	52,901	1,082,465	1,940,066
	Capital Expenditures	-	-	(473,520)	-	-	(582,465)	(1,055,985)
	Debt Service Expenditures	(758,200)	-	-	-	(52,901)	(500,000)	(1,311,101)
		500,830	-	93,492	-	-	-	594,322
2002	Revenues	912,882	-	-	-	16,780	-	929,662
	Capital Expenditures	(529,055)	-	(93,492)	-	-	(64)	(622,611)
	Debt Service Expenditures	(1,335,913)	-	-	-	(16,780)	-	(1,352,693)
	Bond Proceeds	-	-	-	-	-	635,064	635,064
	Payment of Bond Principal	-	-	-	-	-	(635,000)	(635,000)
	Transfer In	369,832	-	-	-	-	-	369,832
	Transfer Out	(369,832)	-	-	-	-	-	(369,832)
		(451,256)	-	-	-	-	-	(451,256)
2003	Revenues	1,185,391	-	-	-	10,533	177,474	1,373,398
	Capital Expenditures	(437,951)	-	-	-	-	-	(437,951)
	Debt Service Expenditures	(779,385)	-	-	-	-	-	(779,385)
	Sale of Village Property	-	-	-	-	-	1,225,000	1,225,000
		(483,201)	-	-	-	10,533	1,402,474	929,806
2004	Revenues	1,538,261	-	-	-	8,566	-	1,546,827
	Capital Expenditures	(123,399)	-	-	-	(19,096)	(2,107,505)	(2,250,000)
	Debt Service Expenditures	(911,175)	-	-	-	-	-	(911,175)
	Installment Contract Proceeds	-	-	-	-	-	705,000	705,000
	Transfer In	-	-	-	-	-	31	31
	Transfer Out	(31)	-	-	-	-	-	(31)
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	Debt Service Expenditures	(1,117,187)	-	-	-	-	-	(1,117,187)
	Sale of Village Property	-	-	-	-	-	1,053,150	1,053,150
	Transfer Out	-	-	-	-	(3)	3	-
		765,400	-	-	-	-	765,071	1,530,471
2006	Revenues	2,093,020	-	-	-	93,889	-	2,186,909
	Capital Expenditures	-	-	-	-	(93,889)	(711,987)	(805,876)
	Debt Service Expenditures	(1,032,562)	-	-	-	-	-	(1,032,562)
	Transfer In	-	-	-	-	-	16,513	16,513
	Transfer Out	-	-	-	-	-	(16,513)	(16,513)
		1,825,858	-	-	-	-	53,084	1,878,942
2007	Revenues	2,617,155	-	-	-	115,701	-	2,732,856
	Capital Expenditures	(134,177)	-	-	-	(115,701)	(53,084)	(302,962)
	Debt Service Expenditures	(1,463,706)	-	-	-	-	-	(1,463,706)
		2,845,130	-	-	-	-	-	2,845,130
2008	Revenues	2,212,251	-	-	-	44,541	-	2,256,792
	Capital Expenditures	(2,702,899)	-	-	-	(44,541)	-	(2,747,440)
	Debt Service Expenditures	(2,131,078)	-	-	-	-	-	(2,131,078)
		223,404	-	-	-	-	-	223,404
2009	Revenues	2,276,442	-	-	-	1,608	1,752	2,279,802
	Capital Expenditures	(368,840)	-	-	-	(1,608)	(1,752)	(372,200)
		2,131,006	-	-	-	-	-	2,131,006
2010	Revenues	2,197,631	-	-	-	1,933	-	2,199,564
	Capital Expenditures	(1,592,018)	-	-	-	(1,933)	-	(1,593,951)
		2,736,619	-	-	-	-	-	2,736,619
2011	Revenues	2,821,198	-	-	-	342	-	2,821,540
	Capital Expenditures	(4,262,928)	-	-	-	(342)	-	(4,263,270)
	Transfer Out	(1)	-	-	-	-	-	(1)
		1,294,888	-	-	-	-	-	1,294,888
2012	Revenues	2,751,190	-	-	-	-	-	2,751,190
	Capital Expenditures	(2,683,958)	-	-	-	-	-	(2,683,958)
		1,362,120	-	-	-	-	-	1,362,120
2013	Revenues	2,665,746	-	-	-	-	-	2,665,746
	Capital Expenditures	(2,958,933)	-	-	-	-	-	(2,958,933)
		1,068,933	-	-	-	-	-	1,068,933

(a) During 1995, the Village changed its fiscal year-end from April 30 to December 31. The data for this fiscal period pertains to May 1 - December 31.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED AUDITING STANDARDS**

May 12, 2014

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

We have audited the accompanying basic financial statements of the Downtown Redevelopment Tax Incremental Financing District No.1 of the Village of Mount Prospect, Illinois, as of and for the year ended December 31, 2013, and have issued our report thereon dated May 12, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Mount Prospect's management. As part of obtaining reasonable assurance about whether basic financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Board of Trustees and management, and is not intended to be used and should not be used by anyone other than these specified parties.

LAUTERBACH & AMEN, LLP

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**REPORT ON SUPPLEMENTARY INFORMATION AND
REPORT ON MANAGEMENT'S ASSERTION OF
COMPLIANCE WITH PUBLIC ACT 85-1142**

DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND

For the Year Ended
December 31, 2014



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable President
Members of the Board of Trustees
Mount Prospect, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mount Prospect, Illinois (the Village) as of and for the year ended December 31, 2014, which collectively comprise the basic financial statements of the Village and have issued our report thereon dated June 5, 2015, which expressed an unmodified opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary financial information (balance sheet and statement of revenues, expenditures, and changes in fund balance) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary financial information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Naperville, Illinois
June 5, 2015

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion included in its representation letter dated June 5, 2015, that the Village of Mount Prospect, Illinois (the Village), complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2014. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of Mount Prospect, Illinois, complied with the aforementioned requirements for the year ended December 31, 2014, is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management and the Illinois Department of Revenue, Illinois State Comptrollers office and the Joint Review Board and should not be used by anyone other than these specified parties.

Naperville, Illinois
June 5, 2015

Sikich LLP

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**BALANCE SHEET
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND**

December 31, 2014

ASSETS

ASSETS

Cash and investments	\$ 436,476
Intergovernmental	<u>252,075</u>
TOTAL ASSETS	<u>688,551</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 25,647
Retainage payable	<u>7,500</u>
Total liabilities	<u>33,147</u>

FUND BALANCE

Restricted for economic development	<u>655,404</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 688,551</u>

(See independent auditor's report on supplementary information.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND**

For the Year Ended December 31, 2014

REVENUES

Taxes	
Incremental property taxes	\$ 2,311,740
Intergovernmental	252,375
Investment income	<u>361</u>
 Total revenues	 <u>2,564,476</u>

EXPENDITURES

Capital outlay	
Public improvements	
Contractual services	196,419
Public improvements	2,764,810
Infrastructure	<u>16,776</u>
 Total expenditures	 <u>2,978,005</u>

NET CHANGE IN FUND BALANCE	(413,529)
 FUND BALANCE, JANUARY 1	 <u>1,068,933</u>
 FUND BALANCE, DECEMBER 31	 <u><u>\$ 655,404</u></u>

(See independent auditor's report on supplementary information.)