

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2008

Prepared by Finance Department

David O. Erb
Finance Director

Lynn M. Jarog
Deputy Finance Director

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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

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Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 1, 2009

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

The Comprehensive Annual Financial Report of the Village of Mount Prospect, Illinois for the fiscal year ended December 31, 2008 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 Sikich 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, 2008, 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, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Mount Prospect

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

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

The Village provides a full range of services including police, fire, public works (including water and sewer), human services, finance, community development and television services.

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

Major Initiatives

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

- It was like déjà vu all over again.....
In August 2007 the Village was hit by violent storms that caused well over a million dollars in damage and expenses to Village infrastructure. Many thousands of residents and businesses suffered damage and loss to personal property and real estate. In the weeks that passed, the community recovered, and the Village was reimbursed over \$698,000 from FEMA for our losses and expenses.

This year, on September 13 and continuing into the next day, the Village saw 9 inches of rain fall; including 6.6 inches in a 24 hour period. The latter, the highest total ever recorded for the Chicagoland area. Detention basins overflowed, streets were rendered impassible and the Des Plaines River again overflowed its banks.

Once again, Village crews were forced to construct a temporary levee wall to protect homes immediately adjacent to the river. The river eventually crested on September 14 at a record 5 feet over flood stage. The levee wall was severely tested and at one point, public works was operating thirteen high output pumps in a successful effort to keep the adjacent neighborhood from going under. Many homes throughout the community experienced basement flooding.

Direct costs to the Village were \$194,500. The Village again sought financial assistance for these costs and was eventually received \$144,000 from FEMA.

- The Village's **Street Improvement Program** was approved in 1996 as a 10 year accelerated paving plan to eliminate the large backlog of streets in need of reconstruction or resurfacing. During the first five years, the reconstruction backlog was targeted. The last five years were to place an emphasis on eliminating the resurfacing backlog. After reevaluating the condition of the street system in 2004 the accelerated program was reduced over the past two years and was extended an additional three years to 2009. 2008 was the twelfth year of the program. During the first five years all streets in the reconstruction category (16.6 miles) were completed at an average of 3.3 miles per year and at an average cost of \$689,000 per mile. In addition, during the twelve years of the program, 71.1 miles of streets have been resurfaced; an average of 6 miles per year at a cost of \$317,000 per mile. Total funds expended in 2008 were \$3,556,000 (\$1,256,000 from MFT and \$2,300,000 from the Street Improvement Construction Fund).
- 2007 saw the completion of the fourth year of a multi-year commitment to rehabilitate approximately 260,000 linear feet of **combined sewer mains** ranging in size from 8" to 72" in diameter. As part of this year's effort, over 7,601 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 176 linear feet of severely failed (Category 4 & 5) sewer pipe was excavated and replaced. In total, during the first four years of this program, 48,720 linear feet of pipe have been lined and 454 linear feet of pipe have been replaced. Over 98% of all Category 5 defects (the worse) and 52% of all Category 4 defects have been repaired to date. Total funds expended during 2008 were \$970,000.
- With the down economy, economic development opportunities have slowed considerably. One bright spot is the upcoming redevelopment of Randhurst Shopping Center. Owner J.P. Morgan and shopping center developer Casto Inc. received Village Board approval to turn the enclosed mall into a street-based "Life Style" center. The Village also agreed to assist in financing a portion of the project by pledging certain revenue sources generated by the redevelopment site. It is important to note the Village is not providing direct financial assistance to the project nor is it a guarantor of any financing instruments that may be issued to fund the project. Costco, Carson's and other out-lot businesses will remain open during the demolition and construction process. A number of upscale retailers and national restaurants have expressed a high degree of interest in locating at the new "Randhurst Village" lifestyle center. A Spring 2011 reopening is anticipated.
- The Community Development, Police and Human Services Departments in conjunction with the Mount Prospect Library, School Districts and various social service agencies came together to develop a plan for a Neighborhood Resource Center (NRC). The NRC will be located in a store front on the south side of the Village and will bring a host of social, educational and Village services to an area of town with a high concentration of low/moderate income families. The costs associated with running the NRC will be split among the various participating entities. Grants will also be sought to assist with funding. The NRC is expected to open in the Summer of 2009.

Factors Affecting Financial Condition

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

Local economy. The Village has been negatively affected by the slowdown in the housing market and the economy in general, but the full impact will not be felt until 2009. 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, 2008 were \$10,066,919 compared to \$8,811,400 for the previous year, an increase of 14.3%. 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 billion for 2008. The Village projects that this revenue source will drop 7-10% during 2009 then return again to positive growth, albeit slight (1%), in 2010. The decline in sales tax in previous periods of economic slowdown had been between 2-3%. The Village will continue its efforts in the area of economic development and is optimistic that retail sales will return over the next few years.

Mount Prospect's average unemployment rate for 2008 was 4.5%. This was an increase from the prior year of 110 basis points (3.4% in 2007). Again, an indication that the economy was trending towards a slowdown. The increase in the Village's unemployment rate was lower than that for the State of Illinois unemployment (110 basis points versus 160 basis points) indicating that the impact of the economic downturn is less than the statewide average. Mount Prospect's median family income, \$67,262 as of the 2000 Census, was 25% higher than the norms for Cook County and 21% higher than the median for the State of Illinois.

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, 2007 and 2008. During the 2008 workshop, a multi-year water and sewer rate study was presented showing the appropriate rate structure for maintaining ongoing water utility operations and funding the utility's capital program on a pay-as-you-go basis.

An expanded fund balance policy provides direction to the Village Board and staff on how to manage fund surplus and how to utilize one-time revenue such as proceeds from the sale of property or equipment. The policy also directs a timeframe in which fund balance deficits are to be addressed.

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 (2009-2013), it is anticipated that the Village will spend approximately \$57.2 million in water and sewer, flood control, street, public building, equipment and other miscellaneous capital projects.

Cash management policies and practices. Cash temporarily idle during the year in the Village's operating funds was invested in short-term notes and bills, the Illinois State Treasurer's Pool (Illinois Fund), the Metropolitan Investment Fund (IMET), Bank of America Money Market accounts and various certificates of deposit. The maturities of the investments vary from being immediately accessible (Illinois Funds) to approximately six months (CDs) to 2 to 3 years (IMET). The average yield of these investments was approximately 2.5%. The Police Pension and Fire Pension Funds are managed by their respective boards. For the fiscal year from January 1 – December 31, 2008, the rates of return for the two pension funds were a negative 14.0% and a negative 13.1% respectively. The downturn in the economy that began towards the end of 2007 begat the “mortgage/foreclosure crisis” of 2008 which in the fourth quarter turned into a near total meltdown in the financial sector. As a result, the equity portion of the portfolios for the two public safety pensions lost over 30% for 2008.

Risk management. The Village participates in two public entity risk pools to protect against casualty and health risk losses, the Intergovernmental Personnel Benefit Cooperative (IPBC) and the High-level Excess Liability Pool (HELP). IPBC insures health, accident and life claims, while HELP provides coverage for first party property losses and third party liability claims. Health claims are self-insured up to \$20,000 at which point coverage is picked up by IPBC. The Village also self-insures first party property losses, third party liability claims and worker's compensation claims. The Village self-insures up to \$2,000,000 for property and liability claims and \$500,000 for worker's compensation claims. Next, the Village purchases commercial coverage for claims between the self-insured limit and \$1,000,000 for workers' compensation claims (statutory limit). For property and liability claims exceeding \$2,000,000, the Village is a member of the High-level Excess Liability Pool (HELP) that provides coverage up to \$12,000,000. Public Officials and Fiduciary Liability coverage is purchased separately in the commercial market.

In addition, various control techniques, including safety training for certain high-risk personnel (police, fire, public works) and other Village employees are in place to minimize accident-related losses.

Pension and other post-employment benefits. The Village sponsors single-employer defined benefit pension plans for its police officers and firefighters. Each year, an independent actuary engaged by the Village and the pension plans calculates the amount of the annual contribution that the Village must make to each respective pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the respective pension plans as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of January 1, 2008 in funding 75.5% of the Police Pension and 78.2% of the Firefighter's Pension actuarial accrued liabilities. The actuarial valuation for the year ended 2008 has not yet been completed as of the date of this document. Preliminary estimates based on the losses incurred in 2008 show the funding levels for the Police and Fire Pensions will drop to 60% and 63% respectively. The remaining unfunded liability is being systematically funded through June 30, 2033 as part of the annual required contribution calculated by the actuary. Legislation is currently being introduced in the State Capital to provide relief to municipalities by resetting the date full funding is required. The reset date would be 2048.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be found in Note 13 in the financial statements.

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, 2007. 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 for the past 25 consecutive years. 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, 2008 and ending December 31, 2008. 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. This is the sixteenth consecutive year the Village has received this award. The Village is awaiting word as to whether it received the Budget Award for its 2009 Budget document.

Acknowledgements

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

Respectfully submitted,



David O. Erb
Finance Director

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2008

LEGISLATIVE

Mayor

Irvana K. Wilks

Paul W. 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

Michael J. Figolah, Fire Chief

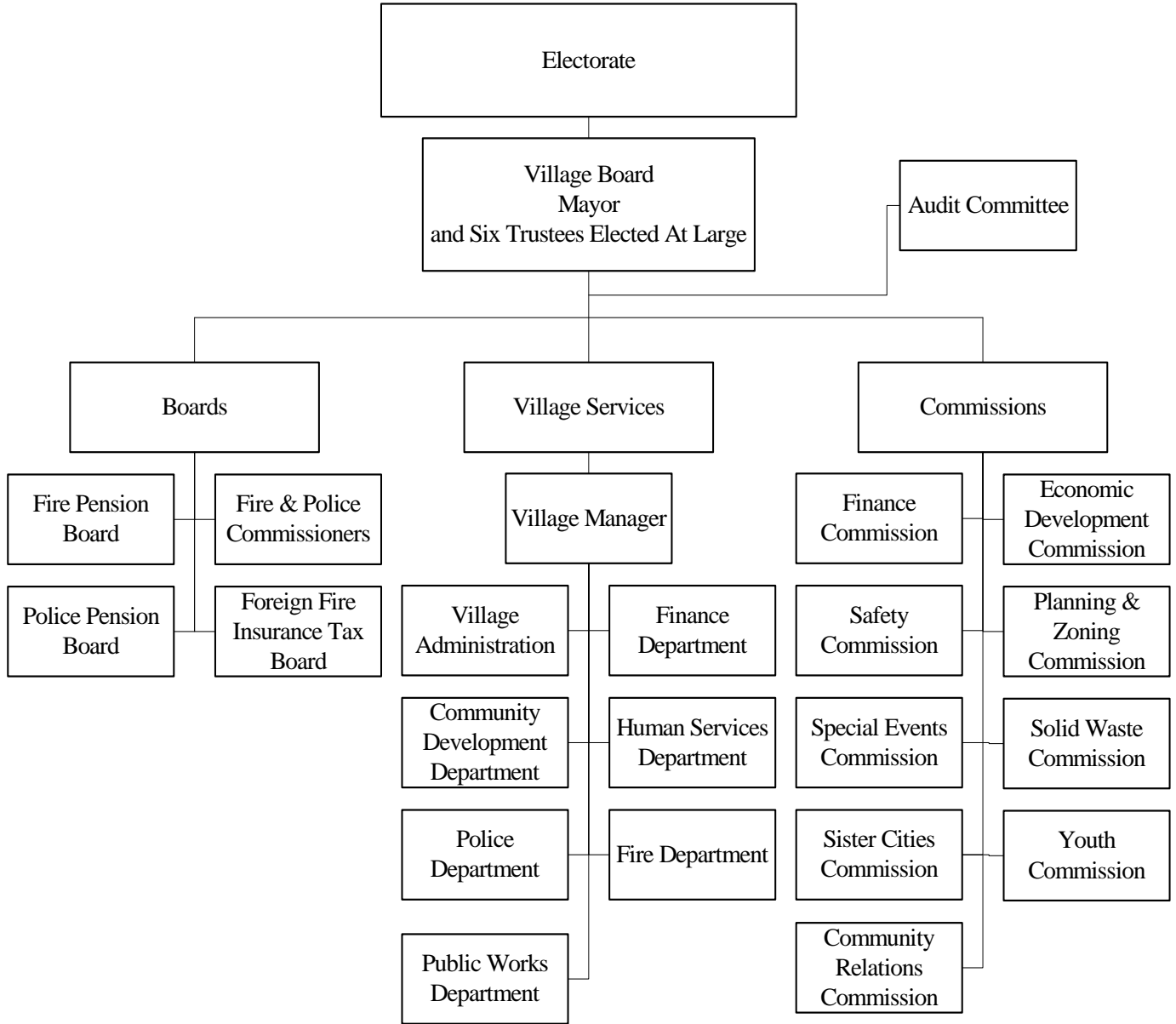
John Dahlberg, Police Chief

Glen R. Andler, Director of Public Works

M. Lisa Angell, Village Clerk

VILLAGE OF MOUNT PROSPECT

Organizational Structure



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, 2007

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.



President

Executive Director



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Mount Prospect
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, 2008, which collectively comprise the Village of Mount Prospect, Illinois' basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Village of Mount Prospect, Illinois' nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Village of Mount Prospect, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary fund of the Village of Mount Prospect, Illinois, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2009 on our consideration of Village of Mount Prospect, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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. The individual fund schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic, combining, and individual fund financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements and each of the combining and individual fund financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.



Aurora, Illinois
April 30, 2009

BASIC FINANCIAL STATEMENTS

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

For Fiscal Year Ended December 31, 2008

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

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

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 3-5) are designed to be corporate-like in that all of the governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") found on page 3 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 4-5) 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, the shared state sales and income tax 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 6-9) presentation is organized on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

(See independent auditor's report.)

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

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 10-13) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 7 and 9). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the government-wide statements).

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets for the Primary Government (which is the Village's bottom line) as of December 31, 2008 were \$80.9 million. This is an increase of \$2.2 million from 2007. Net assets of the Village's governmental activities were \$53.2 million, an increase of \$0.8 million. The Village's unrestricted net assets for governmental activities, the part that can be used to finance day-to-day operations, were \$21.2 million down \$1.9 million from the 2007 unrestricted net asset total of \$23.1 million.

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

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(See independent auditor's report.)

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

Table 1
Statement of Net Assets
as of December 31, 2008 (in millions)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 45.5	\$ 49.4	\$ 7.7	\$ 7.9	\$ 53.2	\$ 57.3
Capital assets	46.5	45.5	20.8	19.4	67.3	64.9
Total assets	\$ 92.0	\$ 94.9	\$ 28.5	\$ 27.3	\$ 120.5	\$ 122.2
Current liabilities	\$ 19.4	\$ 22.5	\$ 0.7	\$ 0.8	\$ 20.1	\$ 23.3
Noncurrent liabilities	19.3	20.0	0.2	0.2	19.5	20.2
Total liabilities	\$ 38.7	\$ 42.5	\$ 0.9	\$ 1.0	\$ 39.6	\$ 43.5
Net Assets						
Invested in capital assets, net of related debt	\$ 29.7	\$ 26.1	\$ 20.8	\$ 19.5	\$ 50.5	\$ 45.6
Restricted net assets	2.3	3.2	-	-	2.3	3.2
Unrestricted net assets	21.2	23.1	6.9	6.8	28.1	29.9
Total net assets	\$ 53.2	\$ 52.4	\$ 27.7	\$ 26.3	\$ 80.9	\$ 78.7

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's \$2.2 million increase of combined net assets was the result of the governmental activities net assets increasing \$0.8 million and the business-type activities net assets increasing by \$1.4 million. The governmental activities total assets decreased by \$2.9 million and the governmental activities total liabilities decreased by \$3.8 million. The total assets decrease of \$2.9 million in governmental activities was the result of a decrease of \$3.9 million in current and other assets and an increase of \$1.0 million in capital assets. The \$3.9 million decrease in current assets was due to a decrease in cash and investments of \$3.6 million, a decrease in receivables of \$0.4 million and an increase in other assets of \$0.1 million. Several Governmental Funds experienced budget deficits in 2008 as a result of lower than expected revenues and the planned drawdown of fund balance to support carry-over projects. The total assets increase of \$1.2 million in business-type activities was due to an increase in assets of \$1.2 million, a decrease in liabilities of \$0.1 million and an increase in unrestricted net assets of \$0.1 million.

(See independent auditor's report.)

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

The decrease in total liabilities of \$3.8 million for the governmental activities was due to a decrease in liabilities related to debt service of \$3.7 million and a decrease in other liabilities of \$0.1 million. Liabilities for debt service were reduced according to the payment schedule of the various bonds. Changes in the other categories resulted in the timing related to the normal course of operations.

Liabilities for business-type activities decreased slightly from \$1.0 million to \$0.9 million. This was due to a decrease in various other liability categories.

Changes in Net Assets

The Village's combined change in net assets for the primary government in 2008 was an increase of \$2.2 million. Activities for the governmental saw an increase in net assets of \$0.8 million, a drop of \$4.2 million from 2007, while activities for the business-type funds saw an increase in net assets of \$1.4 million in 2008 versus an increase of \$1.8 million in 2007. The combined change in net assets in the prior year was \$2.2 million. The following chart lists the revenues and expenses for the current fiscal year.

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(See independent auditor's report.)

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

Table 2
Changes in Net Assets
as of December 31, 2008 (in millions)

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program revenues						
Charges for service	\$ 7.8	\$ 8.3	\$ 9.0	\$ 9.1	\$ 16.8	\$ 17.4
Operating grants	1.8	0.6	-	-	1.8	0.6
Capital grants	0.8	2.8	-	-	0.8	2.8
General revenues						
Property taxes	15.9	15.8	1.5	1.5	17.4	17.3
Sales taxes	14.9	12.8	0.1	-	15.0	12.8
Income taxes	5.3	5.0	-	-	5.3	5.0
Telecommunication taxes	2.8	2.7	-	-	2.8	2.7
Other taxes	4.9	4.7	-	-	4.9	4.7
Investment income	0.4	0.9	0.2	0.3	0.6	1.2
Contributions	0.1	-	-	-	0.1	-
Other	0.1	0.1	-	-	0.1	0.1
Total revenue	\$ 54.8	\$ 53.7	\$ 10.8	\$ 10.9	\$ 65.6	\$ 64.6
Expenses						
General government	\$ 6.7	\$ 5.8	\$ -	\$ -	\$ 6.7	\$ 5.8
Public safety	26.7	24.6	-	-	26.7	24.6
Highways and streets	13.5	11.5	-	-	13.5	11.5
Health	4.2	4.1	-	-	4.2	4.1
Welfare	1.7	1.8	-	-	1.7	1.8
Culture and recreation	0.4	0.2	-	-	0.4	0.2
Interest	0.8	0.7	-	-	0.8	0.7
Water and sewer	-	-	9.2	8.8	9.2	8.8
Parking	-	-	0.2	0.3	0.2	0.3
Total expenses	\$ 54.0	\$ 48.7	\$ 9.4	\$ 9.1	\$ 63.4	\$ 57.8
Change in net assets	\$ 0.8	\$ 5.0	\$ 1.4	\$ 1.8	\$ 2.2	\$ 6.8

(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.

Increasing 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 2008 were \$54.8 million.

Property taxes are the largest revenue source for governmental activities accounting for \$15.9 million or an increase of \$0.1 million from the prior year. This revenue has historically been the most stable source for the Village. Sales tax was the second highest revenue source with \$14.9 million in revenue. This was an increase of \$2.1 million from the prior year. The large increase in this period of economic downturn was due to an additional ¼% home rule sales tax being added in January 2008. The sales tax consists of a 1.0% state portion and 1.0% local home-rule portion. Revenues from charges for services decreased \$0.5 million from \$8.3 million in 2007 to \$7.8 million in 2008. This was due to ambulance service billing fees coming in lower than expected. The Income Tax increased \$0.3 million as state shared revenues continued to rebound slightly from the economic downturn that had occurred between the end of 2000 through 2003.

The changes in capital and operating grants were due to a one-time adjustment to the classification of the state motor fuel tax revenue. The decline in the combined revenue for these two sources (\$0.8 million) was due primarily to FEMA reimbursement monies received in 2007 (\$0.7 million) versus what was received in 2008 (\$0.1 million).

(See independent auditor's report.)

Expenses:

Total expenses for the Village's Governmental Activities for 2008 were \$54.0 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2008 were \$26.7 million versus \$24.6 million in 2007. Accounting for the largest part of the increase from the prior year was a general wage increase 3.75%. Salaries account for almost 80% of total public safety expenses. Expenses for Highways and Streets, which are made up of the public works divisions (excluding water and sewer) is the second largest category of governmental expenses totaling \$13.5 million an increase of \$2.0 million from the prior year. The increase is primarily due to street improvement costs and other capital projects as well as increases to the refuse collection program.

Business-Type Activities

Revenues:

Total revenues for the Village's Business-Type Activities for 2008 were \$10.8 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service accounts for almost the entire amount of revenue for business-type activities. Of the \$9.0 million generated in 2008, \$6.0 million is from water sales, \$1.8 million is from sewer fees, \$0.2 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2007, water sales accounted for \$6.1 million and sewer fees were \$1.9 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 2008 were \$9.4 million.

Of the total expenses for business-type activities, \$9.2 million is attributable to Water and Sewer while \$0.2 million is attributable to parking. \$3.3 million in water fund expenses was for the acquisition of water through the Northwest Suburban Municipal Joint Action Water Agency (JAWA). Of the \$8.8 million in expenses for 2007, \$3.3 million was again 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 decreased by \$0.3 million in 2008 from \$12.8 million to \$12.5 million. In 2008, General Fund revenues exceeded the final budget by \$0.8 million while expenses came in \$0.7 under budget. There was also a transfer out of \$0.8 million to support certain capital projects. The final Village budget had anticipated a decrease in the General Fund fund balance of \$1.7 million.

Intergovernmental revenues exceeded budget by \$0.9 million primarily due to the state sales tax coming in higher than expectations. State sales tax was budgeted at \$9.3 million. Actual sales tax receipts were \$10.1 million. The mix of retailers found in the Village (discount, grocery and pharmaceutical) tends not to be impacted as significantly during economic downturns as do more discretionary type retailers (automotive, high-end department stores). Expenditures in the general government, public safety and welfare functions of the General Fund came in below budget. Community Development, Finance, Information Technology and Police accounted for \$0.6 million of the total savings from budget.

(See independent auditor's report.)

General Fund Budgeting Highlights

During 2008, the Village amended the budget two times. Typically, the Village amends the budget in the first six months of the year and again right before the end of the budget year. Table 3 below reflects the original and revised budget and the actual revenues and expenses for the General Fund. More information can be found in the schedule of revenues, expenditures and changes in fund balance on page 62.

Table 3
General Fund Budgetary Changes
Calendar Year 2008 (in millions)

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Property Taxes	\$ 10.5	\$ 10.7	\$ 10.3
Intergovernmental	15.5	16.2	17.2
Other	<u>13.9</u>	<u>13.4</u>	<u>13.6</u>
Total Revenues	\$ 39.9	\$ 40.3	\$ 41.1
Expenditures and Transfers			
Expenses	\$ 39.9	\$ 41.3	\$ 40.5
Transfers	<u>-</u>	<u>0.7</u>	<u>0.8</u>
Total Expenditures and Transfers	\$ 39.9	\$ 42.0	\$ 41.4
 Change in Fund Balance	 <u>\$ -</u>	 <u>\$ (1.7)</u>	 <u>\$ (0.3)</u>

Capital Assets

At the end of 2008, the Village had a combined total of \$67.3 million invested in a broad range of capital assets including village facilities, roads, bridges, water/sewer lines and machinery and equipment (see Table 4 below). The following reconciliation summarizes the changes in Capital Assets which are presented in detail beginning on page 33 of the notes.

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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land (including right-of-way)	\$ 9.7	\$ 8.4	\$ 0.2	\$ 0.2	\$ 9.9	\$ 8.6
Construction in Progress	0.5	-	0.1	-	0.6	-
 Buildings & Improvements	 21.6	 22.3	 4.7	 3.7	 26.3	 26.0
Machinery & Equipment	4.7	4.3	1.9	1.3	6.6	5.6
Infrastructure	<u>10.0</u>	<u>10.5</u>	<u>13.9</u>	<u>14.2</u>	<u>23.9</u>	<u>24.7</u>
Total Capital Assets	<u>\$ 46.5</u>	<u>\$ 45.5</u>	<u>\$ 20.8</u>	<u>\$ 19.4</u>	<u>\$ 67.3</u>	<u>\$ 64.9</u>

This amount represents a net increase (including additions and deletions) of \$2.4 million from 2007.

(See independent auditor's report.)

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

Table 5
Change in Capital Assets (in millions)

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 45.5	\$ 19.4	\$ 64.9
Additions			
Depreciable	1.9	1.9	3.8
Non-Depreciable	1.8	0.1	1.9
Retirements			
Depreciable	(0.5)	-	(0.5)
Non-Depreciable	-	-	-
Depreciation	(2.6)	(0.6)	(3.2)
Retirement	0.4	-	0.4
Ending Balance	<u>\$ 46.5</u>	<u>\$ 20.8</u>	<u>\$ 67.3</u>

Table 5 above shows the change in capital assets during 2008. This year's major additions to the capital assets include the following (in millions):

Governmental Activities

Vehicle Replacement - \$0.9 million
Property Acquisition - \$1.3 million
Construction Projects in Progress - \$0.5 million
Village-Wide Phone System - \$0.4 million

Business-type Activities

Combined Sewer Replacement - \$1.0 million
Pumping Station Repairs/Replacements - \$0.9 million

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 33.

Debt Outstanding

The Village of Mount Prospect had total long-term debt and loans payable of \$20.9 million as of December 31, 2008. Long-term debt is comprised of general obligation debt, compensated absences to employees and loans payable. During the year, \$3.3 million of general obligation debt was retired; \$0.5 million in loans payable was retired while compensated absences increased by \$90,762. In addition, the net pension obligation decreased \$31,399. The Village did not issue any new debt during 2008.

The Village of Mount Prospect maintains an Aa3 rating from Moody's Investor Services. As a home rule authority, the Village of Mount Prospect does not have a legal debt limit. The Village plans to issue \$10 million in GO Bonds in the first quarter 2009 to support Phase I construction projects (replacement Fire Station # 14, a new Emergency Operations Center and a Public Works facility expansion.).

More detailed information on long-term debt activity can be found in Note 6 of the notes to the financial statements beginning on page 37.

(See independent auditor's report.)

Economic Factor's and Next Year's Budget

Sales taxes, both state shared and home-rule portions, local utility taxes and the Village's share of the state income tax make up a majority of the portion of General Fund revenues. Although total revenues for 2008 exceeded budget expectations, the Village experienced a slight slowing of the general economy during the year. This can be seen in the Village's sales tax receipts. Sales taxes for 2008 were up from the prior year while in 2007 sales taxes were basically flat from 2006. Income taxes for 2008 were up 7.0% from the prior year, but to reflect the slowing in the economy, the projected increase in income taxes for 2009 was reduced to 2.0%. This is less than one-third the actual growth experienced in 2008. The telecommunication tax was up 1.0% from the prior year. Real estate transfer tax revenues saw a significant drop in 2008 from the high-level mark in 2005. Transfer taxes in 2005 were \$1.5 million and had fallen to \$0.6 million by 2008. We expect this revenue to have bottomed out at the current level.

The Village's average unemployment rate for 2008 was 4.5%. This is below both the state and national unemployment rate of 7.2%. The Village's unemployment rate increased by 110 basis points from the prior year.

The 2009 budget shows the total budget increasing 7.2% from the amended 2008 budget and totals \$97,129,446. Much of the increase is due to the construction of Phase I projects totaling \$13.0 million.

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.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2008

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Mount Prospect Public Library
ASSETS				
Cash and investments	\$ 22,543,351	\$ 4,590,422	\$ 27,133,773	\$ 5,174,060
Receivables, net of allowance where applicable				
Property taxes	14,228,103	1,515,464	15,743,567	8,725,000
Other taxes	2,146,032	-	2,146,032	-
Accrued interest	32,792	11,624	44,416	4,175
Utility customers	-	1,146,380	1,146,380	-
Miscellaneous	562,094	22,997	585,091	-
Prepaid expenses	365,313	2,397	367,710	-
Inventory	432,531	202,847	635,378	-
Due from other governments	3,709,496	-	3,709,496	200
Due to/from other funds	410,660	(410,660)	-	-
Due from fiduciary funds	47,778	-	47,778	-
Restricted assets				
Deposits - insurance	792,641	-	792,641	-
Deposits with joint venture	-	649,764	649,764	-
Deferred charges	39,987	-	39,987	116,689
Net pension asset	148,339	-	148,339	-
Capital assets not being depreciated	10,210,699	289,650	10,500,349	677,552
Capital assets being depreciated (net of accumulated depreciation)	36,303,716	20,486,674	56,790,390	16,478,411
Total assets	91,973,532	28,507,559	120,481,091	31,176,087
LIABILITIES				
Accounts payable	1,586,210	648,296	2,234,506	290,269
Accrued payroll	133,077	27,197	160,274	140,639
Accrued interest payable	94,277	-	94,277	62,591
Claims payable	1,340,993	-	1,340,993	-
Due to fiduciary funds	12,782	-	12,782	-
Unearned revenue	14,188,501	-	14,188,501	8,725,000
Other deferred revenue	700,509	8,568	709,077	-
Noncurrent liabilities				
Due within one year	1,374,081	9,236	1,383,317	913,277
Due in more than one year	19,294,898	185,294	19,480,192	16,242,461
Total liabilities	38,725,328	878,591	39,603,919	26,374,237
NET ASSETS				
Invested in capital assets, net of related debt	29,663,909	20,776,324	50,440,233	161,774
Restricted for				
Debt service	-	-	-	705,292
Public safety	191,039	-	191,039	-
Capital outlay	2,176,631	-	2,176,631	-
Working cash	-	-	-	2,079,965
Unrestricted	21,216,625	6,852,644	28,069,269	1,854,819
TOTAL NET ASSETS	\$ 53,248,204	\$ 27,628,968	\$ 80,877,172	\$ 4,801,850

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 6,682,541	\$ 5,045,338	\$ 75,337	\$ 71,157
Public safety	26,646,855	2,242,952	59,386	269,547
Highways and streets	13,540,232	169,615	1,664,558	17,075
Health	4,163,354	-	-	-
Welfare	1,744,504	288,545	1,500	406,504
Culture and recreation	409,066	31,943	-	-
Interest	837,127	-	-	-
Total governmental activities	54,023,679	7,778,393	1,800,781	764,283
Business-Type Activities				
Water and sewer	9,179,399	8,774,681	-	-
Parking	263,394	269,400	-	-
Total business-type activities	9,442,793	9,044,081	-	-
TOTAL PRIMARY GOVERNMENT	\$ 63,466,472	\$ 16,822,474	\$ 1,800,781	\$ 764,283
COMPONENT UNIT				
Mount Prospect Public Library	\$ 8,218,820	\$ 142,667	\$ 71,459	\$ 27,898

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Mount Prospect Public Library
	\$ (1,490,709)	\$ -	\$ (1,490,709)	\$ -
	(24,074,970)	-	(24,074,970)	-
	(11,688,984)	-	(11,688,984)	-
	(4,163,354)	-	(4,163,354)	-
	(1,047,955)	-	(1,047,955)	-
	(377,123)	-	(377,123)	-
	(837,127)	-	(837,127)	-
	(43,680,222)	-	(43,680,222)	-
	-	(404,718)	(404,718)	-
	-	6,006	6,006	-
	-	(398,712)	(398,712)	-
	(43,680,222)	(398,712)	(44,078,934)	-
	-	-	-	(7,976,796)
General Revenues				
Taxes				
Sales	14,862,634	92,154	14,954,788	-
Property - levy	13,638,581	1,505,394	15,143,975	8,389,346
Income	5,326,270	-	5,326,270	-
Telecommunications	2,770,473	-	2,770,473	-
Property - other	2,303,525	-	2,303,525	-
Utility	1,987,506	-	1,987,506	-
State use	830,080	-	830,080	-
Food and beverage	776,268	-	776,268	-
Real estate transfer	643,082	-	643,082	-
Replacement	408,944	-	408,944	52,240
Municipal motor fuel	277,376	-	277,376	-
Other	96,918	-	96,918	-
Investment income	416,673	159,150	575,823	127,488
Miscellaneous	93,781	-	93,781	4,986
Contributions	51,120	-	51,120	32,640
Total	44,483,231	1,756,698	46,239,929	8,606,700
CHANGE IN NET ASSETS	803,009	1,357,986	2,160,995	629,904
NET ASSETS, JANUARY 1	52,445,195	26,270,982	78,716,177	4,171,946
NET ASSETS, DECEMBER 31	\$ 53,248,204	\$ 27,628,968	\$ 80,877,172	\$ 4,801,850

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2008

	General	Refuse Disposal	Debt Service	Nonmajor	Total
ASSETS					
Cash and investments	\$ 6,668,059	\$ 2,055,278	\$ -	\$ 2,788,209	\$ 11,511,546
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	10,656,198	1,750,235	1,796,338	25,332	14,228,103
Other taxes	1,255,498	-	298,317	574,137	2,127,952
Accrued interest	11,868	2,741	-	114	14,723
Other	307,647	204,670	-	49,465	561,782
Due from other funds	1,865,212	60,507	-	-	1,925,719
Due from fiduciary funds	47,778	-	-	-	47,778
Due from other governments	3,034,026	-	-	675,470	3,709,496
Inventories	1,075	48,975	-	-	50,050
Prepaid items	227,675	106,181	150	2,396	336,402
TOTAL ASSETS	\$ 24,075,036	\$ 4,228,587	\$ 2,094,805	\$ 4,115,123	\$ 34,513,551
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 612,347	\$ 181,537	\$ 80	\$ 679,247	\$ 1,473,211
Accrued payroll	119,441	1,598	-	-	121,039
Due to other funds	2,640	986	1,206,703	304,730	1,515,059
Due to fiduciary funds	12,782	-	-	-	12,782
Deferred property taxes	10,642,163	1,750,000	1,796,338	-	14,188,501
Deferred revenues	144,838	-	-	555,671	700,509
Total liabilities	11,534,211	1,934,121	3,003,121	1,539,648	18,011,101
FUND BALANCES					
Reserved for inventory	1,075	48,975	-	-	50,050
Reserved for prepaid items	227,675	106,181	150	2,396	336,402
Reserved for public safety	-	-	-	188,888	188,888
Reserved for capital outlay	-	-	-	2,176,631	2,176,631
Unreserved					
Undesignated for General Fund	12,312,075	-	-	-	12,312,075
Undesignated for Special Revenue Funds	-	2,139,310	-	(95,932)	2,043,378
Undesignated for Debt Service Funds - deficit	-	-	(908,466)	-	(908,466)
Undesignated for Capital Projects Funds	-	-	-	303,492	303,492
Total fund balances (deficit)	12,540,825	2,294,466	(908,316)	2,575,475	16,502,450
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,075,036	\$ 4,228,587	\$ 2,094,805	\$ 4,115,123	\$ 34,513,551

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

December 31, 2008

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,502,450
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	46,514,415
Less internal service funds included below	(3,984,429)
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	148,339
The unamortized bond issuance cost is not a current financial resource and, therefore, is not reported in the governmental funds	39,987
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(94,277)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds payable	(13,105,000)
IEPA loans payable	(3,805,678)
Compensated absences payable	(2,977,241)
Less internal service funds included below	149,725
Net pension obligation	(466,832)
Unamortized bond discount	60,172
Net other postemployment benefits obligation	(374,400)
Less internal service funds included below	8,500
The net assets of the internal service funds are included in the governmental activities in the statement of net assets	<u>14,632,473</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 53,248,204</u></u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

	General	Refuse Disposal	Debt Service	Nonmajor	Total
REVENUES					
Property taxes - levy	\$ 10,346,987	\$ 2,007,797	\$ 1,283,797	\$ -	\$ 13,638,581
Property taxes - other	91,274	-	1,133,500	1,078,751	2,303,525
Other taxes	7,459,701	-	1,221,967	2,663,282	11,344,950
Licenses, permits, and fees	3,094,828	-	-	-	3,094,828
Intergovernmental	17,196,811	-	-	1,907,970	19,104,781
Charges for services	1,511,172	2,107,247	-	-	3,618,419
Fines and forfeits	720,351	-	-	-	720,351
Investment income	256,844	38,234	22,760	98,835	416,673
Miscellaneous	402,196	14,314	-	116,950	533,460
Total revenues	41,080,164	4,167,592	3,662,024	5,865,788	54,775,568
EXPENDITURES					
Current					
General government	5,725,191	-	-	-	5,725,191
Public safety	25,801,515	-	-	104,759	25,906,274
Highways and streets	7,176,947	-	-	1,991,124	9,168,071
Health	119,067	4,037,252	-	-	4,156,319
Welfare	1,330,261	-	-	406,530	1,736,791
Culture and recreation	381,892	-	-	-	381,892
Capital outlay	-	-	-	6,623,970	6,623,970
Debt service					
Principal retirement	-	-	3,794,735	355,000	4,149,735
Interest and fiscal charges	-	-	870,003	21,178	891,181
Total expenditures	40,534,873	4,037,252	4,664,738	9,502,561	58,739,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	545,291	130,340	(1,002,714)	(3,636,773)	(3,963,856)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	809,422	809,422
Transfers (out)	(822,274)	-	-	(10,968)	(833,242)
Proceeds from the sale of capital assets	2,895	-	-	-	2,895
Total other financing sources (uses)	(819,379)	-	-	798,454	(20,925)
NET CHANGE IN FUND BALANCES	(274,088)	130,340	(1,002,714)	(2,838,319)	(3,984,781)
FUND BALANCES, JANUARY 1	12,814,913	2,164,126	94,398	5,413,794	20,487,231
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 12,540,825	\$ 2,294,466	\$ (908,316)	\$ 2,575,475	\$ 16,502,450

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (3,984,781)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,759,557
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	(25,373)
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(2,657,312)
Less internal service funds included below	959,032
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	4,149,735
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Decrease in accrued interest payable	61,167
Amortization of discount	(4,273)
Amortization of issuance costs	(2,840)
Increase in compensated absences	(90,762)
Less internal service funds included below	(4,696)
Increase in net pension asset	5,351
Decrease in net pension obligation	31,399
Increase in net other postemployment benefits obligation	(374,400)
Less internal service funds included below	8,500
The change in net assets of the internal service funds is reported with governmental activities	<u>(27,295)</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 803,009</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

December 31, 2008

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 4,231,532	\$ 358,890	\$ 4,590,422	\$ 11,031,805
Receivables				
Property taxes	1,515,464	-	1,515,464	-
Accrued interest	11,624	-	11,624	18,069
Accounts - billed	573,252	-	573,252	-
Accounts - unbilled	573,128	-	573,128	-
Other taxes	-	22,498	22,498	18,080
Other	499	-	499	312
Inventories	202,847	-	202,847	382,481
Prepaid expenses	2,265	132	2,397	28,911
Due from other funds	2,640	-	2,640	-
Total current assets	7,113,251	381,520	7,494,771	11,479,658
NONCURRENT ASSETS				
Deposits - insurance	-	-	-	792,641
Deposit with joint venture	649,764	-	649,764	-
Subtotal noncurrent assets	649,764	-	649,764	792,641
Capital assets				
Capital assets not being depreciated	100,383	189,267	289,650	-
Capital assets being depreciated, cost	49,153,746	523,053	49,676,799	11,611,325
Accumulated depreciation	(28,716,922)	(473,203)	(29,190,125)	(7,626,896)
Net capital assets	20,537,207	239,117	20,776,324	3,984,429
Total noncurrent assets	21,186,971	239,117	21,426,088	4,777,070
Total assets	28,300,222	620,637	28,920,859	16,256,728
CURRENT LIABILITIES				
Accounts payable	637,460	10,836	648,296	112,999
Accrued payroll	26,776	421	27,197	12,038
Claims payable	-	-	-	1,340,993
Unearned revenue	-	8,568	8,568	-
Due to other funds	63,300	350,000	413,300	-
Compensated absences payable	9,236	-	9,236	7,486
Total current liabilities	736,772	369,825	1,106,597	1,473,516
LONG-TERM LIABILITIES				
Compensated absences payable	175,494	-	175,494	142,239
Net other postemployment benefits obligation	8,700	1,100	9,800	8,500
Total long-term liabilities	184,194	1,100.00	185,294	150,739
Total liabilities	920,966	370,925	1,291,891	1,624,255
NET ASSETS				
Invested in capital assets	20,537,207	239,117	20,776,324	3,984,429
Unrestricted	6,842,049	10,595	6,852,644	10,648,044
TOTAL NET ASSETS	\$ 27,379,256	\$ 249,712	\$ 27,628,968	\$ 14,632,473

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the Year Ended December 31, 2008

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Activities Internal Service
OPERATING REVENUES				
Charges for services				
Billings	\$ 7,794,449	\$ -	\$ 7,794,449	\$ -
Water and sewer taps	13,550	-	13,550	-
Parking fees	-	269,400	269,400	-
Internal services	-	-	-	8,628,950
Other	966,682	-	966,682	-
Total operating revenues	8,774,681	269,400	9,044,081	8,628,950
OPERATING EXPENSES				
Administration and maintenance	8,503,005	249,608	8,752,613	2,032,839
Insurance and claims	-	-	-	5,983,164
Depreciation	676,394	13,786	690,180	959,032
Total operating expenses	9,179,399	263,394	9,442,793	8,975,035
OPERATING INCOME (LOSS)	(404,718)	6,006	(398,712)	(346,085)
NONOPERATING REVENUES (EXPENSES)				
Property taxes	1,505,394	-	1,505,394	-
Home rule sales tax	-	92,154	92,154	-
Investment income	127,365	1,479	128,844	272,317
JAWA investment income	30,306	-	30,306	-
Gain on disposal of capital assets	-	-	-	22,653
Total nonoperating revenues (expenses)	1,663,065	93,633	1,756,698	294,970
NET INCOME (LOSS) BEFORE TRANSFERS	1,258,347	99,639	1,357,986	(51,115)
TRANSFERS				
Transfers in	-	-	-	23,820
Total transfers	-	-	-	23,820
CHANGE IN NET ASSETS	1,258,347	99,639	1,357,986	(27,295)
NET ASSETS, JANUARY 1	26,120,909	150,073	26,270,982	14,659,768
NET ASSETS, DECEMBER 31	\$ 27,379,256	\$ 249,712	\$ 27,628,968	\$ 14,632,473

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2008

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 8,739,802	\$ 236,424	\$ 8,976,226	\$ -
Receipts from interfund services	-	-	-	7,612,369
Receipts from miscellaneous revenues	26,599	-	26,599	1,021,413
Payments to suppliers	(6,204,607)	(178,697)	(6,383,304)	(6,891,954)
Payments to employees	(2,429,585)	(66,384)	(2,495,969)	(1,004,177)
Net cash from operating activities	132,209	(8,657)	123,552	737,651
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	1,586,448	-	1,586,448	-
Sales taxes	-	69,656	69,656	-
Interfund transactions	(399)	192,269	191,870	23,820
Net cash from noncapital financing activities	1,586,049	261,925	1,847,974	23,820
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	-	-	-	31,103
Acquisition of capital assets	(1,999,857)	-	(1,999,857)	(926,107)
Net cash from capital and related financing activities	(1,999,857)	-	(1,999,857)	(895,004)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	3,744,136	-	3,744,136	8,711,438
Purchase of investments	(3,281,102)	-	(3,281,102)	(4,238,292)
Interest	170,493	1,479	171,972	328,367
Net cash from investing activities	633,527	1,479	635,006	4,801,513
NET INCREASE IN CASH AND CASH EQUIVALENTS	351,928	254,747	606,675	4,667,980
CASH AND CASH EQUIVALENTS, JANUARY 1	589,567	104,143	693,710	203,031
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 941,495	\$ 358,890	\$ 1,300,385	\$ 4,871,011

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2008

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Activities Internal Service
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH FLOWS FROM				
OPERATING ACTIVITIES				
Operating income (loss)	\$ (404,718)	\$ 6,006	\$ (398,712)	\$ (346,085)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	676,394	13,786	690,180	959,032
Changes in assets and liabilities				
Receivables	(11,180)	-	(11,180)	(8,170)
Inventories	(23,870)	-	(23,870)	(23,403)
Prepaid expenses	(1,719)	(132)	(1,851)	(5,091)
Deposits	-	-	-	19,056
Accounts payable	(73,123)	5,101	(68,022)	44,638
Accrued payroll and compensated absences	(41,175)	(1,541)	(42,716)	(26,119)
Net other-postemployment benefits obligation	8,700	1,100	9,800	8,500
Unearned revenues	-	(32,977)	(32,977)	-
Due to other funds	2,900	-	2,900	-
Claims payable	-	-	-	115,293
NET CASH FROM OPERATING ACTIVITIES	\$ 132,209	\$ (8,657)	\$ 123,552	\$ 737,651
CASH AND INVESTMENTS				
Cash and cash equivalents	\$ 941,495	\$ 358,890	\$ 1,300,385	\$ 4,871,011
Investments	3,290,037	-	3,290,037	6,160,794
TOTAL CASH AND INVESTMENTS	\$ 4,231,532	\$ 358,890	\$ 4,590,422	\$ 11,031,805

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

December 31, 2008

	Pension Trust	Agency
ASSETS		
Cash and short-term investments	\$ 5,669,436	\$ 1,816,941
Investments		
U.S. Treasury and agency obligations	40,478,990	-
Mutual funds - equity	23,653,896	-
Municipal bonds	2,761,085	-
Receivables		
Accrued interest	389,277	-
Due from other funds	12,782	-
Prepays	1,291	-
	<u>72,966,757</u>	<u>\$ 1,816,941</u>
LIABILITIES		
Accounts payable	21,958	\$ -
Deposits payable	-	1,760,775
Due to other funds	-	47,778
Other liabilities	-	3,951
Due to library	-	888
Due to bondholders	-	3,549
	<u>21,958</u>	<u>\$ 1,816,941</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 72,944,799</u>	

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

For the Year Ended December 31, 2008

ADDITIONS	
Contributions	
Employer	\$ 2,838,387
Participants	<u>1,327,251</u>
Total contributions	<u>4,165,638</u>
Investment income	
Net (depreciation) in	
fair value of investments	(13,837,406)
Interest earned	2,329,486
Less investment expenses	<u>(169,395)</u>
Net investment income	<u>(11,677,315)</u>
Total additions	<u>(7,511,677)</u>
DEDUCTIONS	
Contractual services	68,050
Pension benefits and refunds	<u>5,468,840</u>
Total deductions	<u>5,536,890</u>
NET (DECREASE)	(13,048,567)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
January 1	<u>85,993,366</u>
December 31	<u><u>\$ 72,944,799</u></u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Mount Prospect, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected mayor and a six-member board of trustees. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units.

The Village's financial statements include two pension trust funds.

Police Pension Employees Retirement System

The Village's 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 Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village and PPERS participants are obligated to fund all 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 contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees, and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The Village's 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. Two members appointed by the Village's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board. The Village and FPERS participants are obligated to fund all 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 contribution levels.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters, and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund.

Discretely Presented Component Unit

Mount Prospect Public Library (the Library)

The Library has a separate Board which 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, while servicing the general population of the Village, does not provide services entirely to the Village. Because the Library possesses the characteristics of a legally separate government and does not service the primary government, the Library is being reported as a discrete presentation.

Complete financial statements for the Library may be obtained at the following address: 10 South Emerson Street, Mount Prospect, Illinois 60056.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements, except for interfund services. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Refuse Disposal Fund is a special revenue fund 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.

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

The Village reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities of the water and sewer operations. The Village operates the sewerage treatment plant, sewerage pumping stations and collection systems, and the water distribution system.

The Village reports the following internal service funds:

Internal Service Funds account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis. The Computer Replacement Fund accounts for the acquisition of Village computer hardware. Financing is being provided by charges to various Village funds. The Risk Management Fund accounts for the servicing and payment of claims for liability, property, casualty coverage, workers' compensation, and medical benefits. Financing is being provided by charges to the various Village funds. The Vehicle Replacement Fund accounts for the acquisition and depreciation of Village vehicles. Financing is being provided by charges to the General, Water and Sewer, Parking System Revenue, and Refuse Disposal Funds. The Vehicle Maintenance Fund accounts for the maintenance and repair of all Village vehicles except Fire Department vehicles. Financing is being provided by charges to various Village funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following fiduciary funds:

The Village reports Pension Trust Funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. The Village reports the following agency funds - Escrow Deposit, Flexcomp Escrow, Special Service Area, and Library Bonds Escrow as fiduciary funds.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds use the accrual basis of accounting but do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days, except for sales tax and telecommunication tax which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The Village reports unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” or “earned” criteria for recognition in the current period. Unearned/deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the Village’s proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one year when purchased and nonnegotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of December 31, 2008 for debt and equity securities. Mutual funds, investment funds, and insurance separate accounts are valued at contract value as of December 31, 2008.

g. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Interfund Receivables/Payables (Continued)

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

h. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

j. 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.

k. 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 are defined by the Village as assets with an initial, individual cost of more than \$10,000 (\$3,000 for the component unit), except for infrastructure for which the cost is \$25,000 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.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10 - 50
Machinery and equipment	10 - 15
Vehicles	3 - 15
Infrastructure	25 - 75

l. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

m. Rebatable Arbitrage

The Village reports rebatable arbitrage as a reduction of revenue. Where applicable, any liability for rebatable arbitrage is reported in the fund in which the excess interest income was recorded.

n. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as issuance costs and gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and gains (losses) on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Long-Term Obligations (Continued)

In the fund financial statements, governmental funds 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 expenditures.

o. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. \$2,176,631 of the Village's net assets are restricted as a result of enabling legislation adopted by the Village, restricted for capital outlay. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

p. Interfund Transactions

Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

q. GASB Pronouncements

The Village has elected with respect to enterprise funds, under the provisions of GASB Statement 20, titled *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

2. 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'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.

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of 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.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 7,567,293	\$ 7,567,293	\$ -	\$ -	\$ -
Money market mutual fund	2,475,984	2,475,984			
Illinois Metropolitan Investment Fund	2,454,840	-	2,454,840	-	-
TOTAL	\$ 12,498,117	\$ 10,043,277	\$ 2,454,840	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Unless matched to a specific cash flow, maturities should not exceed two years from the date of purchase.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village 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 for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in 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, money market mutual funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. No financial institution shall hold more than 20% of the Village's investment portfolio, exclusive of any securities held in safekeeping; Illinois Funds shall not exceed 40% of the investment portfolio; and IMET shall not exceed 10% of the investment portfolio.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund 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, safety of principal, risk aversion, rate of return, and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension 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 the an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury bonds	\$ 2,467,821	\$ 199,980	\$ 271,465	\$ 866,624	\$ 1,129,752
U.S. Treasury notes	2,192,501	-	626,828	778,161	787,512
FHLB	3,261,510	406,252	2,296,193	559,065	-
FHLMC	2,632,124	227,462	1,061,211	1,199,159	144,292
FNMA	7,597,693	-	1,844,765	2,319,297	3,433,631
FFCB	351,306	-	351,306	-	-
GNMA	554,982	-	-	90,019	464,963
US HUD Security	326,626	-	110,188	216,438	-
Municipal bonds	1,375,543	305,860	644,711	309,382	115,590
Money market mutual funds	1,093,406	1,093,406	-	-	-
Illinois Funds	1,585,049	1,585,049	-	-	-
TOTAL	\$ 23,438,561	\$ 3,818,009	\$ 7,206,667	\$ 6,338,145	\$ 6,075,740

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Police Pension Fund limits 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 a 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 is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The FHLB, FHLMC, FFCB, GNMA, US HUD Securities, money market mutual funds, and Illinois Funds are rated AAA. The FNMA securities are rated AAA with the exception of a security with a market value of \$541,940 which is rated A. The municipal bonds have market values of \$252,118, \$754,757, and \$368,668 rated at AAA, AA, and A, respectively.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension 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 a third-party custodian and evidenced by safekeeping receipts. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Police Pension Fund, shall hold more than 10% of the Police Pension Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Police Pension 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, 2008, FHLB, FHLMC, and FNMA securities exceeded 5% of the Police Pension Fund's total investments. This is in compliance with the Police Pension Fund's investment policy.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Fund Deposits and Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold.

It is the policy of the Firefighters' Pension Fund 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 Firefighters' Pension Fund 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, safety of principal, risk aversion, liquidity, and return on investment.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension 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 the an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Fund Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury bonds	\$ 2,408,323	\$ 299,970	\$ -	\$ 804,941	\$ 1,303,412
U.S. Treasury notes	2,461,907	-	427,109	889,326	1,145,472
FHLB	4,069,107	505,470	2,725,039	838,598	-
FHLMC	2,614,177	-	937,169	1,499,378	177,630
FNMA	8,243,539	-	1,661,455	2,345,102	4,236,982
FFCB	270,235	-	270,235	-	-
GNMA	700,515	-	-	135,510	565,005
US HUD Security	326,626	-	110,188	216,438	-
Municipal bonds	1,385,542	310,864	649,706	309,382	115,590
Money market mutual funds	1,259,768	1,259,768	-	-	-
Illinois Funds	437,040	437,040	-	-	-
TOTAL	\$ 24,176,779	\$ 2,813,112	\$ 6,780,901	\$ 7,038,675	\$ 7,544,091

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Firefighters' Pension Fund limits 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 a 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 is the risk that the issuer of a debt security will not pay its par value upon maturity. The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The Firefighters' Pension Fund's investment policy does not address the management of credit risk. The FHLB, FHLMC, FFCB, GNMA, US HUD Securities, money market mutual funds, and Illinois Funds are rated AAA. The FNMA securities are rated AAA with the exception of a security with a market value of \$541,940 which is rated A. The municipal bonds have market values of \$257,122, \$759,752, and \$368,668 rated at AAA, AA, and A, respectively.

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Plan Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension 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 a third-party custodian and evidenced by safekeeping receipts. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of its investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. No financial institution, except any securities custodians of the Firefighters' Pension Fund, shall hold more than 10% of the Firefighters' Pension Fund's portfolio at any time. Neither shall Illinois Funds hold more than 10% of the Firefighters' Pension 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, 2008, FHLB, FHLMC, and FNMA securities exceeded 5% of the Firefighters' Pension Fund's total investments. This is in compliance with the Firefighters' Pension Fund's investment policy.

3. RECEIVABLES

Property taxes for 2008 attach as an enforceable lien on January 1, 2008 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2009 and August 1, 2009 and are payable in two installments, on or about March 1, 2009 and September 1, 2009. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 2% of the tax levy, to reflect actual collection experience. Since the 2008 levy is intended to fund the 2009 fiscal year, the levy has been recorded as a receivable and deferred/unearned revenue.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

The following receivables are included in Due from Other Governments on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES

Sales tax	\$ 2,489,061
Income tax	245,946
Local use tax	68,466
Motor fuel tax	139,920
Grants	699,105
Court fines	66,998
	<hr/>
TOTAL	<u>\$ 3,709,496</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government

	Balances January 1	Additions	Retirements	Balances December 31
	<hr/>			
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land (including rights-of-way)	\$ 8,383,723	\$ 1,326,120	\$ 3,045	\$ 9,706,798
Construction in progress	-	503,901	-	503,901
	<hr/>			
Total capital assets not being depreciated	8,383,723	1,830,021	3,045	10,210,699
	<hr/>			
Capital assets being depreciated				
Buildings	27,429,229	-	-	27,429,229
Improvements other than buildings	1,536,100	-	-	1,536,100
Vehicles	10,865,896	936,657	382,248	11,420,305
Machinery and equipment	715,562	575,188	79,528	1,211,222
Infrastructure	47,058,320	354,349	-	47,412,669
	<hr/>			
Total capital assets being depreciated	87,605,107	1,866,194	461,776	89,009,525
	<hr/>			
Less accumulated depreciation for				
Buildings	6,199,168	681,168	-	6,880,336
Improvements other than buildings	404,369	84,772	-	489,141
Vehicles	6,894,072	948,922	363,248	7,479,746
Machinery and equipment	424,893	105,895	57,200	473,588
Infrastructure	36,546,443	836,555	-	37,382,998
	<hr/>			
Total accumulated depreciation	50,468,945	2,657,312	420,448	52,705,809
	<hr/>			
Total capital assets being depreciated, net	37,136,162	(791,118)	41,328	36,303,716
	<hr/>			
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 45,519,885	\$ 1,038,903	\$ 44,373	\$ 46,514,415
	<hr/>			

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 491,448
Public safety	747,517
Highways and streets	1,406,433
Health and welfare	2,486
Culture and recreation	9,428
	<u>2,657,312</u>

TOTAL	<u>\$ 2,657,312</u>
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	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 196,404	\$ -	\$ -	\$ 196,404
Construction in progress	-	93,246	-	93,246
Total capital assets not being depreciated	<u>196,404</u>	<u>93,246</u>	<u>-</u>	<u>289,650</u>
Capital assets being depreciated				
Buildings and improvements	6,472,072	1,319,138	-	7,791,210
Equipment	3,229,893	616,448	-	3,846,341
Infrastructure	38,039,248	-	-	38,039,248
Total capital assets being depreciated	<u>47,741,213</u>	<u>1,935,586</u>	<u>-</u>	<u>49,676,799</u>
Less accumulated depreciation for				
Buildings and improvements	2,819,168	250,921	-	3,070,089
Equipment	1,821,158	156,735	-	1,977,893
Infrastructure	23,859,619	282,524	-	24,142,143
Total accumulated depreciation	<u>28,499,945</u>	<u>690,180</u>	<u>-</u>	<u>29,190,125</u>
Total capital assets being depreciated, net	<u>19,241,268</u>	<u>1,245,406</u>	<u>-</u>	<u>20,486,674</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 19,437,672</u>	<u>\$ 1,338,652</u>	<u>\$ -</u>	<u>\$ 20,776,324</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Component Unit

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	\$ 677,552	\$ -	\$ -	\$ 677,552
Total capital assets not being depreciated	677,552	-	-	677,552
Capital assets being depreciated				
Buildings and improvements	17,543,076	-	-	17,543,076
Equipment	831,856	38,252	24,697	845,411
Books	5,973,770	396,924	214,356	6,156,338
Total capital assets being depreciated	24,348,702	435,176	239,053	24,544,825
Less accumulated depreciation for				
Buildings and improvements	1,824,457	438,577	-	2,263,034
Equipment	510,053	128,403	20,755	617,701
Books	5,019,454	380,582	214,356	5,185,679
Total accumulated depreciation	7,353,963	947,562	235,111	8,066,414
Total capital assets being depreciated, net	16,994,739	(512,386)	3,942	16,478,411
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,672,291	\$ (512,386)	\$ 3,942	\$ 17,155,963

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES

Culture and recreation \$ 947,562

5. RISK MANAGEMENT

The Village and its component unit are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks 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 which is an internal service fund.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

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 was \$1,340,993.

A reconciliation of claims liability for the current year and that of the preceding year follows:

	Auto	Workers' Compensation	General Liability	Totals
UNPAID CLAIMS, DECEMBER 31, 2006	\$ -	\$ 1,779,056	\$ 84,370	\$ 1,863,426
Claims incurred - 2007	72,211	234,477	66,492	373,180
Claims payments - 2007	(55,348)	(855,252)	(100,306)	(1,010,906)
UNPAID CLAIMS, DECEMBER 31, 2007	16,863	1,158,281	50,556	1,225,700
Claims incurred - 2008	44,409	804,523	230,679	1,079,611
Claims payments - 2008	-	(742,439)	(221,879)	(964,318)
UNPAID CLAIMS, DECEMBER 31, 2008	\$ 61,272	\$ 1,220,365	\$ 59,356	\$ 1,340,993

High-Level Excess Liability Pool (HELP)

The Village participates in 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 was organized on April 1, 1987 with the initial agreement extended to April 30, 2009. The purpose of HELP is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the members and other parties included within the scope of coverage of HELP.

HELP 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 HELP are appointed 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 bylaws, rules, and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

5. RISK MANAGEMENT (Continued)

High-Level Excess Liability Pool (HELP) (Continued)

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, Illinois, and the members provided that HELP and its members were obligated to the Village of Elk Grove Village, Illinois for payment of principal and interest on the bonds until such bonds were retired. Additionally, each member was liable for its proportionate share of any default by other members. The obligations of HELP and its members are unconditional. The bonds were paid in full as of April 30, 1997.

Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities.

The IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund general obligation bonds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Installment Contracts

The Village entered into several installment contracts with the Illinois Environmental Protection Agency to provide funds for the construction of flood control projects and acquiring a parking lot.

c. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2008:

Primary Government

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
\$5,550,000 General Obligation Bonds, Series 1999 dated March 1, 1999, due in annual installments of \$215,000 to \$1,655,000 plus interest at 5.75% to 6.00% through August 1, 2007.	Debt Service	\$ 1,655,000	\$ -	\$ 1,655,000	\$ -	\$ -
\$2,165,000 General Obligation Bonds, Series 2000 dated June 15, 2000, due in annual installments of \$180,000 to \$950,000 plus interest at 5.15% through December 1, 2008.	Debt Service	950,000	-	950,000	-	-
\$5,000,000 General Obligation Bonds, Series 2001 dated October 1, 2001, due in annual installments of \$145,000 to \$370,000 plus interest at 4.25% to 4.60% through December 1, 2021.	Debt Service	3,915,000	-	210,000	3,705,000	215,000
\$12,235,000 General Obligation Bonds, Series 2003, due in semi-annual installments from \$440,000 to \$880,000 plus interest at 3.25% to 4.75% through December 1, 2022.	Debt Service	9,895,000	-	495,000	9,400,000	510,000
Total bonds		16,415,000	-	3,310,000	13,105,000	725,000

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

Primary Government (Continued)

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES (Continued)						
\$3,695,354 IEPA Flood Loan Contract L17-0744, due in annual installments plus interest at 3.36% through May 1, 2014.	Debt Service	\$ 1,486,638	\$ -	\$ 208,290	\$ 1,278,348	\$ 215,347
\$558,474 IEPA Flood Loan Contract L17-0856, due in annual installments plus interest at 3.36% through July 12, 2013.	Debt Service	211,888	-	32,440	179,448	33,538
\$1,711,672 IEPA Flood Loan Contract L17-0857, due in annual installments plus interest at 3.36% through December 10, 2014.	Debt Service	744,872	-	96,074	648,798	99,330
\$1,209,842 IEPA Flood Loan Contract L17-0855, due in annual installments plus interest at 2.89% through November 1, 2017.	Debt Service	696,979	-	61,048	635,931	62,825
\$1,547,950 IEPA Flood Loan Contract L17-1087, due in annual installments plus interest of 2.625% through June 3, 2019.	Debt Service	1,150,036	-	86,883	1,063,153	89,179
Total IEPA flood loan installment contracts		4,290,413	-	484,735	3,805,678	500,219
\$705,000 installment contract, due in annual installments (beginning September 1, 2007) of \$350,000 to \$355,000 plus a variable interest through September 1, 2008. LIBOR rate at issuance on September 1, 2005 was 3.07%.	Capital Projects	355,000	-	355,000	-	-
Total capital project installment contracts		355,000	-	355,000	-	-

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

Primary Government (Continued)

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
(Continued)						
Compensated absences	General	\$ 2,732,058	\$ 232,061	\$ 136,603	\$ 2,827,516	\$ 141,376
Compensated absences	Internal Service	154,421	3,025	7,721	149,725	7,486
Total compensated absences		2,886,479	235,086	144,324	2,977,241	148,862
Unamortized bond discount	Debt Service	(64,445)		(4,273)	(60,172)	-
Net pension obligation	General	498,231	-	31,399	466,832	-
Net other postemployment benefit obligation - General	General	-	365,900	-	365,900	-
Net other postemployment benefits obligation - Internal service	Vehicle Maintenance	-	8,500	-	8,500	-
Total net other postemployment benefits obligation		-	374,400	-	374,400	-
Total governmental activities		24,380,678	609,486	4,321,185	20,668,979	1,374,081
BUSINESS-TYPE ACTIVITIES						
Compensated absences	Water and Sewer	172,961	20,417	8,648	184,730	9,236
Net other postemployment benefit obligation	Water and Sewer	-	8,700	-	8,700	-
Net other postemployment benefit obligation	Parking	-	1,100	-	1,100	-
Total business-type activities		172,961	30,217	8,648	194,530	9,236
TOTAL		\$ 24,553,639	\$ 639,703	\$ 4,329,833	\$ 20,863,509	\$ 1,383,317

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

Component Unit

	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
\$20,500,000 General Obligation Bonds, Series 2002 dated June 1, 2002, due in semi-annual installments of \$185,000 to \$1,670,000 plus interest at 4.00% to 5.00% through December 1, 2022.	Debt Service	\$ 8,250,000	\$ -	\$ 730,000	\$ 7,520,000	\$ 850,000
\$10,000,000 General Obligation Library Refunding Bonds, Series 2006 dated December 15, 2006, due in annual installments of \$45,000 to \$1,655,000 plus interest at 3.50% to 4.10% through December 1, 2022.	Debt Service	9,945,000	-	45,000	9,900,000	45,000
Total bonds		18,195,000	-	775,000	17,420,000	895,000
Unamortized loss on refunding		(456,226)	-	(30,415)	(425,811)	-
Compensated absences	General	152,151	22,823	53,125	121,849	18,277
Net other postemployment benefits obligation	General	-	39,700	-	39,700	-
TOTAL		\$ 17,890,925	\$ 63,523	\$ 797,710	\$ 17,155,738	\$ 913,277

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

Primary Government

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2009	\$ 725,000	\$ 565,648
2010	755,000	538,661
2011	785,000	510,548
2012	815,000	479,935
2013	850,000	446,722
2014	885,000	411,830
2015	925,000	375,215
2016	965,000	336,008
2017	1,005,000	294,110
2018	1,050,000	249,455
2019	1,100,000	201,885
2020	1,155,000	152,050
2021	1,210,000	98,720
2022	880,000	41,800
TOTAL	\$ 13,105,000	\$ 4,702,587

Fiscal Year Ending December 31	Installment Contracts IEPA	
	Principal	Interest
2009	\$ 500,219	\$ 113,135
2010	516,203	97,152
2011	532,701	80,653
2012	549,732	63,622
2013	567,312	46,043
2014	417,587	28,225
2015	178,912	18,346
2016	183,840	13,418
2017	188,904	8,355
2018	112,771	3,734
2019	57,497	755
TOTAL	\$ 3,805,678	\$ 473,438

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Component Unit

Fiscal Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2009	\$ 895,000	\$ 734,934
2010	935,000	697,178
2011	965,000	656,609
2012	1,015,000	613,578
2013	1,050,000	568,340
2014	1,105,000	521,528
2015	1,150,000	470,930
2016	1,305,000	416,855
2017	1,360,000	358,265
2018	1,410,000	305,905
2019	1,465,000	250,915
2020	1,525,000	193,048
2021	1,585,000	132,048
2022	1,655,000	67,855
TOTAL	<u>\$ 17,420,000</u>	<u>\$ 5,987,988</u>

e. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

6. LONG-TERM DEBT (Continued)

f. Advance Refunding - Component Unit

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

The defeased bonds still outstanding totaled \$9,380,000 at December 31, 2008.

7. 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 (\$7,520,000 of 2002 bonds and \$9,900,000 of 2007 refunding bonds at December 31, 2008) 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 FINANCIAL STATEMENTS (Continued)

8. CONTRACTUAL COMMITMENTS

a. High-Level Excess Liability Pool (HELP)

The Village has committed to purchase excess liability insurance from HELP, a public entity risk pool for certain Illinois municipalities through April 30, 2008.

Annual payments to HELP are based on a formula utilizing miles of streets, number of vehicles, total revenues, and full-time equivalents. The Village paid \$71,774 to HELP in 2008. For 2009, the Village estimates it will pay \$76,500.

b. 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 2009 through 2022, the Village estimates it will pay \$1,205,988 annually.

9. INTERFUND ACTIVITY

Due From/To Other Funds

Primary Government

Receivable Fund	Payable Fund	Amount
General	Refuse Disposal	\$ 986
	Debt Service	1,206,703
	Motor Fuel Tax	300,000
	Community Development Block Grant	4,213
	Street Improvement Construction	517
	Water and Sewer	2,793
	Village Parking System	350,000
	Escrow Deposit	57
	Flexcomp Escrow	47,721
Refuse Disposal	Water and Sewer	60,507
		<u>60,507</u>
Water and Sewer	General	2,640
		<u>2,640</u>
Fiduciary	Police Pension	8,716
	Firefighters' Pension	4,066
		<u>12,782</u>
TOTAL		<u>\$ 1,988,919</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INTERFUND ACTIVITY (Continued)

Due From/To Other Funds (Continued)

Primary Government (Continued)

The purpose of the significant Due From/To Other Funds is as follows:

- \$1,206,703 due to the General Fund from the Debt Service Fund. This was due to a shortfall in funds available to pay principal and interest due on IEPA Flood Control Loans and other short-term cash loans. Repayment is expected during 2009 and 2010.
- \$300,000 due to the General Fund from the Motor Fuel Tax Fund. This was due to a shortfall in the Motor Fuel Tax Fund. Partial repayment is expected by December 31, 2009.
- \$350,000 due to the General Fund from the Parking System Revenue Fund. This was an operating loan to help fund the operations of the Village Parking System Fund as well as a loan for short-term cash shortage. Partial repayment is expected by December 31, 2009.
- \$60,507 due to the Refuse Disposal Fund from the Water and Sewer Fund. These are refuse collection billing charges originating from the water utility billing system not made before December 31, 2008. Repayment is expected by December 31, 2009.
- \$8,716 and \$4,066 due to the Police and Firefighters' Pension Funds, respectively, from the General Fund. This is a property tax distribution for the Village's portion of its pension contribution not made before December 31, 2008. This is expected to be paid in 2009.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. INTERFUND ACTIVITY (Continued)

Primary Government (Continued)

Interfund transfers during the year ended December 31, 2008 consisted of the following:

Primary Government

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 822,274
DUI Fines	-	10,968
Capital Improvement	809,422	-
Internal Service	23,820	-
TOTAL	<u>\$ 833,242</u>	<u>\$ 833,242</u>

The purposes of the significant Interfund transfers are as follows:

- \$809,422 transferred from the General Fund to the Capital Improvement Fund to fund significant projects started in 2008 that will be completed by bond proceeds and other income in the Capital Improvement Fund in the future. This amount will not be repaid.

10. CONTINGENT LIABILITIES

a. 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.

b. 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.

11. JOINT VENTURES

a. Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. 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 the mayor or president 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, provides for the issuance of debt, 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.

Complete financial statements for SWANCC can be obtained from the Agency's administrative office at 2700 Patriot Boulevard, Suite 110, Glenview, Illinois 60026.

SWANCC's outstanding 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. The bonds are not the debt of any member. SWANCC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) 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 for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to 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 the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

11. JOINT VENTURES (Continued)

a. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

In accordance with the contract, the Village made payments totaling \$1,237,943 to SWANCC in 2008. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2008.

b. Northwest Suburban Municipal Joint Action Water Agency (JAWA)

Description of Joint Venture

The Village is a member of 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.

JAWA is governed by a board of directors which consist 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 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.

Complete financial statements can be obtained from JAWA, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of (1) all receipts derived from the Water Supply Agreements or any other contract for the supply of water; (2) all income derived from the investment of monies; and (3) all income, fees, water service charges and all grants, 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 obligations.

JAWA has entered into water supply agreements with the seven member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for 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.

11. JOINT VENTURES (Continued)

b. Northwest Suburban Municipal Joint Action Water Agency (JAWA) (Continued)

Description of Joint Venture (Continued)

JAWA has entered into an agreement with the City of Chicago (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2020.

The obligation of the Village to make payments required by this agreement is payable from the Village's Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$3,291,222 to JAWA for 2008. The Village does not have an equity interest in JAWA at December 31, 2008. The amounts on deposit with JAWA represent amounts held for security for debt service.

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the 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. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. 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.

b. Benefits Provided

The Village provides pre and post-Medicare post-retirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2008, membership consisted of:

Retirees and beneficiaries currently receiving benefits	37
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>311</u>
 TOTAL	 <u><u>348</u></u>
 Participating employers	 <u><u>1</u></u>

d. Funding Policy

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.

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of December 31, 2007 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2008. The Village's annual OPEB cost (expense) of \$637,400 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of January 1, 2008. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2008 was as follows (information for the two preceding years is not available as an actuarial valuation was performed for the first time as of December 31, 2007):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2008	\$ 637,400	\$ 253,200	39.72%	\$ 384,200

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of December 31, 2008 was calculated as follows:

Annual required contribution	\$ 637,400
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	637,400
Contributions made	253,200
	<hr/>
Increase in net OPEB obligation	384,200
Net OPEB obligation beginning of year	-
	<hr/>
NET OPEB OBLIGATION END OF YEAR	\$ 384,200

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of December 31, 2008 was as follows:

Actuarial accrued liability (AAL)	\$ 7,400,200
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	7,400,200
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 22,865,500
UAAL as a percentage of covered payroll	32.36%

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 trend. Amounts determined regarding the funded status of the plan and the annual required 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 financial statements, presents multi-year 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.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

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 January 1, 2008, actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included a 4.50% investment rate of return and an initial healthcare cost trend rate of 10.0% with an ultimate healthcare inflation rate of 4.5%. Both rates include a 3.0% inflation assumption and 4.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

13. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an 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 also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members 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% 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% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, as specified by statute; for 2008 the rate was 8.81%.

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At December 31, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	54
Current employees	
Vested	59
Nonvested	31
	<hr/>
TOTAL	<hr/> <hr/> 144

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% simple interest annually thereafter.

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 Police Pension Plan as actuarially determined by an enrolled actuary, and the administrative costs. Effective July 1, 1993, the Village has until 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended December 31, 2008, the Village's contribution was 18.85% of covered payroll.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At December 31, 2007, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	59
Terminated members, not yet receiving benefits	2
Current employees	
Vested	47
Nonvested	25
	<hr/>
TOTAL	<u>133</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary.

Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their 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 Firefighters' Pension Plan as actuarially determined by an enrolled actuary, and the administrative costs. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended December 31, 2008, the Village's contribution was 23.40% of covered payroll.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. 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 in the period in which the employee services are performed.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Administrative Costs

Administrative costs for both the Police Pension Plan and the Firefighters' Pension Plan are financed primarily through investment earnings.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2006	December 31, 2007	December 31, 2007
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	24 Years, Closed	26 Years, Closed	26 Years, Closed

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 to 11.60%	1.00%	1.00%
d) Post-retirement benefit increases	3.00%	3.00%	3.00%

d. Net Pension Obligation (Asset)

The Village's annual pension cost and net pension obligation (asset) to the Police Pension and Firefighters' Pension Plans for the year ended December 31, 2007 (most current information available) were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,333,283	\$ 1,302,011
Interest on net pension obligation	(11,439)	39,858
Adjustment to annual required contribution	7,230	(25,192)
Annual pension cost	1,329,074	1,316,677
Contributions made	1,334,425	1,348,076
Increase (decrease) in net pension obligation (asset)	(5,351)	(31,399)
Net pension obligation (asset) beginning of year	(142,988)	498,231
NET PENSION OBLIGATION (ASSET)		
END OF YEAR	\$ (148,339)	\$ 466,832

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

e. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2006	\$ 1,273,108	\$ 1,243,975	\$ 1,175,384
	2007	1,309,539	1,329,074	1,316,677
	2008	1,332,675	N/A	N/A
Actual contribution	2006	\$ 1,273,108	\$ 1,290,012	\$ 1,194,705
	2007	1,309,539	1,334,425	1,348,076
	2008	1,332,675	1,420,452	1,417,935
Percentage of APC contributed	2006	100.00%	103.70%	101.64%
	2007	100.00%	100.40%	102.38%
	2008	100.00%	N/A	N/A
NPO (asset)	2006	\$ -	\$ (142,988)	\$ 498,231
	2007	-	(148,339)	466,832
	2008	-	N/A	N/A

f. Funded Status and Funding Progress

The funded status and funding progress of the plans as of December 31, 2008 for the Illinois Municipal Retirement Fund and December 31, 2007 for the Police and Firefighters' Pensions were as follows:

	Illinois Municipal Retirement*	Police Pension**	Firefighters' Pension**
Actuarial accrued liability (AAL)	\$ 40,307,663	\$ 56,873,906	\$55,025,410
Actuarial value of plan assets	30,588,784	42,963,185	43,030,180
Unfunded actuarial accrued liability (UAAL)	9,718,879	13,910,721	11,995,230
Funded ratio (actuarial value of plan assets/AAL)	75.89%	75.54%	78.20%
Covered payroll (active plan members)	15,126,845	7,078,232	5,761,988
UAAL as a percentage of covered payroll	64.25%	196.53%	208.18%

* Includes both the Village and the Library.

** Information as of December 31, 2008 was not available at the time of printing for the Police and Firefighters' Pensions. However, the Village has been notified that the actuarial value of assets has declined significantly from that reported above due to conditions in the financial markets.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. PENSION TRUST FUNDS

a. Schedule of Net Assets as of December 31, 2008.

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 3,399,290	\$ 2,270,146	\$ 5,669,436
Investments			
U.S. Treasury and agency obligations	19,384,561	21,094,429	40,478,990
Mutual funds - equity	11,920,312	11,733,584	23,653,896
Municipal bonds	1,375,543	1,385,542	2,761,085
Receivables			
Accrued interest	188,547	200,730	389,277
Due from other funds	8,716	4,066	12,782
Prepays	307	984	1,291
	<u>36,277,276</u>	<u>36,689,481</u>	<u>72,966,757</u>
LIABILITIES			
Accounts payable	<u>14,333</u>	<u>7,625</u>	<u>21,958</u>
	<u>14,333</u>	<u>7,625</u>	<u>21,958</u>
NET ASSETS	<u>\$ 36,262,943</u>	<u>\$ 36,681,856</u>	<u>\$ 72,944,799</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. PENSION TRUST FUNDS (Continued)

b. Schedule of Changes in Net Assets for the year ended December 31, 2008.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,420,452	\$ 1,417,935	\$ 2,838,387
Employee	738,466	588,785	1,327,251
Total contributions	<u>2,158,918</u>	<u>2,006,720</u>	<u>4,165,638</u>
INVESTMENT INCOME			
Net (depreciation) in fair value of investments	(7,046,743)	(6,790,663)	(13,837,406)
Interest income	1,097,963	1,231,523	2,329,486
Less investment expense	(81,167)	(88,228)	(169,395)
Net investment income	<u>(6,029,947)</u>	<u>(5,647,368)</u>	<u>(11,677,315)</u>
Total additions	<u>(3,871,029)</u>	<u>(3,640,648)</u>	<u>(7,511,677)</u>
DEDUCTIONS			
Administrative	45,922	22,128	68,050
Pension benefits and refunds	2,783,291	2,685,549	5,468,840
Total deductions	<u>2,829,213</u>	<u>2,707,677</u>	<u>5,536,890</u>
NET (DECREASE)	(6,700,242)	(6,348,325)	(13,048,567)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>42,963,185</u>	<u>43,030,181</u>	<u>85,993,366</u>
December 31	<u>\$ 36,262,943</u>	<u>\$ 36,681,856</u>	<u>\$ 72,944,799</u>

15. SUBSEQUENT EVENT

On March 11, 2009, the Village issued \$10,000,000 General Obligation Bonds, Series 2009. The bonds were issued for the purpose of construction of a fire station, expanding the public works facility, and relocating the Village's emergency operations center. Interest is payable semiannually on June 1 and December 1, commencing December 1, 2009, at rates of 3% to 4.5%. Principal is payable on December 1 at amounts of \$200,000 to \$1,955,000 through December 1, 2028.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes - levy	\$ 10,490,256	\$ 10,690,256	\$ 10,346,987
Property taxes - other	78,500	78,500	91,274
Other taxes	7,461,000	7,306,500	7,459,701
Licenses, permits, and fees	3,260,000	3,176,500	3,094,828
Intergovernmental	15,549,200	16,221,700	17,196,811
Charges for services	1,730,375	1,553,375	1,511,172
Fines and forfeits	576,500	634,000	720,351
Investment income	461,000	282,000	256,844
Miscellaneous	365,000	368,000	402,196
Total revenues	39,971,831	40,310,831	41,080,164
EXPENDITURES			
General government	5,709,259	5,983,776	5,725,191
Public safety	25,913,271	26,277,861	25,801,515
Highways and streets	6,562,220	7,101,062	7,176,947
Health	120,409	123,409	119,067
Welfare	1,304,746	1,403,746	1,330,261
Culture and recreation	361,926	391,501	381,892
Total expenditures	39,971,831	41,281,355	40,534,873
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(970,524)	545,291
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(721,000)	(822,274)
Proceeds from the sale of capital assets	-	-	2,895
Total other financing sources (uses)	-	(721,000)	(819,379)
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,691,524)	(274,088)
FUND BALANCE, JANUARY 1			12,814,913
FUND BALANCE, DECEMBER 31			\$ 12,540,825

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REFUSE DISPOSAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes - levy	\$ 2,075,000	\$ 2,075,000	\$ 2,007,797
Charges for services			
Single-family service charges	1,019,000	1,019,000	957,964
Multi-family service charges	950,000	950,000	920,479
Single-family penalties	19,000	19,000	14,829
Multi-family penalties	55,000	55,000	8,228
Refuse stickers	235,000	235,000	204,617
Recycling bins	-	-	1,130
Investment income	84,000	84,000	38,234
Miscellaneous	1,000	1,000	14,314
	<hr/>		
Total revenues	4,438,000	4,438,000	4,167,592
<hr/>			
EXPENDITURES			
Health			
Refuse disposal division			
Personal services	237,697	237,697	268,440
Employee benefits	72,295	72,295	71,030
Other employee costs	1,835	1,835	691
Contractual services	3,766,799	3,766,799	3,642,518
Utilities	610	610	351
Insurance	31,010	31,010	26,862
Commodities	24,985	31,285	27,360
	<hr/>		
Total expenditures	4,135,231	4,141,531	4,037,252
<hr/>			
NET CHANGE IN FUND BALANCE	\$ 302,769	\$ 296,469	130,340
<hr/>			
FUND BALANCE, JANUARY 1			2,164,126
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 2,294,466
			<hr/>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2003	\$ 27,283,944	\$ 27,111,540	100.64%	\$ (172,404)	\$ 10,495,272	(1.64%)
2004	28,882,805	31,666,212	91.21%	2,783,407	11,792,465	23.60%
2005	29,606,790	31,861,477	92.92%	2,254,687	12,211,858	18.46%
2006	32,733,827	33,826,473	96.77%	1,092,646	12,689,232	8.61%
2007	35,921,213	37,209,421	96.54%	1,288,208	13,857,561	9.30%
2008	30,588,784	40,307,663	75.89%	9,718,879	15,126,845	64.25%

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2002	\$ 30,916,536	\$ 41,058,866	75.30%	\$ 10,142,330	\$ 5,197,828	195.13%
2003	33,520,535	43,278,648	77.45%	9,758,113	5,432,721	179.62%
2004	35,616,429	47,837,706	74.45%	12,221,277	5,648,744	216.35%
2005	37,284,535	50,333,889	74.07%	13,049,354	6,049,971	215.69%
2006	40,084,648	53,166,244	75.39%	13,081,596	6,563,329	199.31%
2007	42,963,185	56,873,906	75.54%	13,910,721	7,078,232	196.53%

Information as of December 31, 2008 was not available at the time of printing. However, the Village has been notified that the actuarial value of assets has declined significantly due to conditions in the financial markets.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2002	\$ 33,182,657	\$ 41,445,957	80.06%	\$ 8,263,300	\$ 4,609,373	179.27%
2003	35,111,866	44,537,550	78.84%	9,425,684	4,820,164	195.55%
2004	36,729,420	46,613,979	78.79%	9,884,559	4,964,231	199.12%
2005	38,091,422	49,825,274	76.45%	11,733,852	5,095,147	230.29%
2006	40,166,884	52,357,613	76.72%	12,190,729	5,446,735	223.82%
2007	43,030,180	55,025,410	78.20%	11,995,230	5,761,988	208.18%

Information as of December 31, 2008 was not available at the time of printing. However, the Village has been notified that the actuarial value of assets has declined significantly due to conditions in the financial markets.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2007	\$ -	\$ 7,400,200	0.00%	\$ 7,400,200	\$ 22,865,500	32.36%

Information for prior years is not available as the Village's first actuarial valuation was performed December 31, 2007.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2008

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 513,219	\$ 513,219	100.00%
2004	884,435	884,435	100.00%
2005	1,047,777	1,047,777	100.00%
2006	1,273,108	1,273,108	100.00%
2007	1,309,539	1,309,539	100.00%
2008	1,332,675	1,332,675	100.00%

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 POLICE PENSION FUND

December 31, 2008

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2003	\$ 863,179	\$ 876,000	98.54%
2004	1,067,223	1,062,739	100.42%
2005	1,097,052	1,077,645	101.80%
2006	1,290,012	1,246,954	103.45%
2007	1,334,425	1,333,283	100.09%
2008	1,420,452	N/A	N/A

N/A - Not available

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FIREFIGHTERS' PENSION FUND

December 31, 2008

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2003	\$ 912,528	\$ 925,943	98.55%
2004	1,070,044	1,059,381	101.01%
2005	1,192,522	1,175,135	101.48%
2006	1,194,705	1,159,480	103.04%
2007	1,348,076	1,302,011	103.54%
2008	1,417,935	N/A	N/A

N/A - Not available

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS PLAN

December 31, 2008

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2008	\$ 253,200	\$ 637,400	39.72%

Information for prior years is not available as the Village's first actuarial valuation was performed December 31, 2007.

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2008

1. BUDGETS

All departments of the Village submit requests for appropriation 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 budget figures included in this report reflect all budget amendments made during the year.

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year:

Fund	Excess
Debt Service	\$ 99
Motor Fuel Tax	44,122
Parking System Revenue	18,474
Police Pension	1,163

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund

General Fund - to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund

Debt Service Fund - to accumulate monies for payment of principal and interest on general obligation bonds.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
PROPERTY TAXES - LEVY			
Property taxes - general	\$ 7,692,000	\$ 7,842,000	\$ 7,551,400
Property taxes - Police Pension	1,408,423	1,408,423	1,401,952
Property taxes - Firefighters' Pension	1,389,833	1,439,833	1,393,635
Total property taxes	10,490,256	10,690,256	10,346,987
PROPERTY TAXES - OTHER			
Road and bridge taxes	78,500	78,500	91,274
OTHER TAXES			
Auto rental tax	17,000	17,000	12,862
Food and beverage tax	798,500	760,000	776,268
Real estate transfer tax	785,000	760,000	643,082
Hotel/motel tax	60,000	45,000	46,758
Electronics game tax	-	-	785
Telecommunications tax	2,535,000	2,535,000	2,770,473
Home rule sales tax	1,326,000	1,250,000	1,221,967
Gas utility tax	752,500	752,500	841,332
Electric utility tax	1,187,000	1,187,000	1,146,174
Total other taxes	7,461,000	7,306,500	7,459,701
LICENSES, PERMITS, AND FEES			
Vehicle license fees	1,405,000	1,405,000	1,403,190
Liquor licenses	130,000	130,000	125,800
Business licenses	170,000	170,000	164,219
Contractor licenses	40,000	40,000	38,574
Alarm licenses	15,500	15,500	15,190
Building permit fees	433,000	355,000	363,945
Electrical permit fees	41,000	41,000	34,427
Plumbing permit fees	41,000	41,000	38,708
Permit penalties	3,500	3,500	3,260
Reinspection fees	50,000	60,000	65,500
Vacant structure registration fees	4,000	4,000	-
Truck rental fees	2,000	2,000	1,110
Nuisance abatement fees	2,000	36,000	-
Utility permit fees	-	2,500	2,750
Plan examination fees	24,000	24,000	20,090
Street opening fees	2,000	2,000	1,450
Elevator inspections	22,000	22,000	20,480
Stormwater detention	80,000	-	23,496
Public improvement inspections	55,000	83,000	-
Fees - board of appeals	17,000	17,000	7,411
False alarm fees	20,000	20,000	11,820
Landlord/tenant fees	212,000	212,000	242,633
Cable TV franchise	491,000	491,000	510,775
Total licenses, permits, and fees	3,260,000	3,176,500	3,094,828
INTERGOVERNMENTAL			
State income tax	5,126,000	5,300,000	5,326,270
State sales tax	9,027,000	9,300,000	10,066,919
State use tax	788,000	750,500	830,080
Charitable games tax	3,000	3,000	2,388
Replacement taxes	399,000	399,000	399,660
Replacement taxes - road and bridge	2,000	10,000	9,284

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
INTERGOVERNMENTAL (Continued)			
Grant - ILEC police training	\$ 24,000	\$ 24,000	\$ 25,234
Grant - State fire training	2,000	2,000	7,543
Grant - tobacco enforcement	5,700	5,700	4,620
Grant - body armor	5,000	5,000	7,346
Grant - FEMA disaster recovery	-	-	144,442
Grant - Illinois Department of Aging	-	200,000	200,000
Grant - other	167,500	222,500	173,025
Total intergovernmental	15,549,200	16,221,700	17,196,811
CHARGES FOR SERVICES			
Water and sewer service charge	443,500	443,500	443,500
Parking service charge	38,000	38,000	37,786
Maintenance of state highways	75,000	75,000	57,771
Ambulance transport fees	927,000	750,000	719,062
Forest river rural FPD	42,000	42,000	44,264
Cable programming fees	47,375	47,375	31,149
Special detail revenue	12,000	12,000	14,211
Fire training revenue	20,000	20,000	24,259
Lease payments	125,500	125,500	139,170
Total charges for services	1,730,375	1,553,375	1,511,172
FINES AND FORFEITS			
Fines - local	260,000	300,000	324,654
Fines - local ordinances	27,500	45,000	32,428
Fines - circuit court	210,000	210,000	273,227
Fines - parental responsibility	4,000	4,000	1,650
Forfeited escrow funds	75,000	75,000	88,392
Total fines and forfeits	576,500	634,000	720,351
INVESTMENT INCOME			
Investment income	383,000	204,000	220,137
Interest - escrow funds	78,000	78,000	36,707
Total investment income	461,000	282,000	256,844
MISCELLANEOUS			
Home delivered meals	30,500	30,500	29,931
Reimburse - H/S youth officer	72,000	72,000	71,978
Shared cost - sidewalk	25,000	25,000	24,108
Shared cost - tree replacement	40,000	40,000	23,660
Reimburse - Village property	30,000	30,000	38,656
Other reimbursements	10,000	10,000	59,524
Human services revenue	35,000	35,000	15,981
Fire and police reports	8,000	8,000	7,204
Animal release fees	1,000	1,000	1,135
Subpoena fees	4,000	4,000	3,632
Other revenue	109,500	112,500	126,387
Total miscellaneous	365,000	368,000	402,196
TOTAL REVENUES	\$ 39,971,831	\$ 40,310,831	\$ 41,080,164

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Public representation division	\$ 131,176	\$ 173,926	\$ 163,820
Village manager's office	2,637,569	2,787,444	2,828,495
Television services division	183,164	183,164	193,430
Village clerk's office	208,499	209,499	198,860
Finance department	1,652,794	1,685,886	1,584,723
Community development - administration	850,457	898,257	710,403
Benefit payments	45,600	45,600	45,460
	<hr/>		
Total general government	5,709,259	5,983,776	5,725,191
<hr/>			
PUBLIC SAFETY			
Community development - code enforcement	901,335	903,935	849,746
Police department	14,142,413	14,282,653	13,883,553
Fire and emergency protection department	10,869,523	11,091,273	11,068,216
	<hr/>		
Total public safety	25,913,271	26,277,861	25,801,515
<hr/>			
HIGHWAYS AND STREETS			
Public works department	6,562,220	7,101,062	7,176,947
<hr/>			
HEALTH			
Community development - health	120,409	123,409	119,067
<hr/>			
WELFARE			
Human services department	787,447	858,447	839,002
Community development - housing	517,299	545,299	491,259
	<hr/>		
Total welfare	1,304,746	1,403,746	1,330,261
<hr/>			
CULTURE AND RECREATION			
Community and civic services	361,926	391,501	381,892
<hr/>			
TOTAL EXPENDITURES	\$ 39,971,831	\$ 41,281,355	\$ 40,534,873
<hr/> <hr/>			

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Public representation division			
Mayor and Board of Trustees			
Personal services	\$ 25,000	\$ 25,000	\$ 24,654
Employee benefits	2,662	2,662	2,635
Other employee costs	3,200	3,200	3,986
Contractual services	79,478	122,228	113,546
Utilities	500	500	626
Commodities and supplies	6,000	6,000	5,143
Total Mayor and Board of Trustees	116,840	159,590	150,590
Advisory boards and commissions			
Personal services	8,170	8,170	8,864
Employee benefits	3,266	3,266	3,100
Contractual services	2,300	2,300	309
Commodities and supplies	600	600	957
Total advisory boards and commissions	14,336	14,336	13,230
Total public representation division	131,176	173,926	163,820
Village Manager's office			
Administration and support			
Personal services	389,698	389,698	411,604
Employee benefits	92,626	92,626	89,603
Other employee costs	12,400	12,400	13,053
Contractual services	9,028	9,028	9,117
Utilities	5,000	5,000	2,861
Commodities and supplies	4,000	4,000	2,994
Capital expenditures	300	300	493
Total administration and support	513,052	513,052	529,725
Legal services			
Contractual services	535,500	636,500	872,693
Personnel management/training			
Personal services	202,132	202,132	165,263
Employee benefits	99,513	99,513	86,639
Other employee costs	27,950	30,200	19,051
Contractual services	46,860	46,860	37,866
Commodities and supplies	1,715	1,715	1,809
Capital expenditures	330	330	-
Total personnel management/training	378,500	380,750	310,628
Management information systems			
Personal services	310,206	310,206	315,921
Employee benefits	115,021	115,021	107,659
Other employee costs	6,000	6,000	5,069
Contractual services	570,852	570,852	433,208
Utilities	4,340	4,340	3,268
Commodities and supplies	4,150	4,150	3,253
Capital expenditures	27,800	27,800	26,651
Total management information systems	1,038,369	1,038,369	895,029

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Village Manager's office (Continued)			
Public information			
Personal services	\$ 53,525	\$ 53,525	\$ 59,923
Employee benefits	21,603	21,603	20,908
Other employee costs	2,800	2,800	1,873
Contractual services	90,000	136,625	133,735
Utilities	520	520	239
Commodities and supplies	3,700	3,700	3,742
Total public information	172,148	218,773	220,420
Total Village Manager's office	2,637,569	2,787,444	2,828,495
Television services division			
Personal services	105,924	105,924	111,762
Employee benefits	41,902	41,902	39,221
Other employee costs	2,850	2,850	2,536
Contractual services	14,838	14,838	22,366
Utilities	1,600	1,600	1,642
Commodities and supplies	6,050	6,050	5,915
Capital expenditures	10,000	10,000	9,988
Total television services division	183,164	183,164	193,430
Village Clerk's office			
Administration and support			
Personal services	119,672	119,672	122,867
Employee benefits	45,221	45,221	42,276
Other employee costs	2,705	2,705	722
Contractual services	33,926	34,926	26,216
Utilities	1,700	1,700	848
Commodities and supplies	5,275	5,275	5,931
Total Village Clerk's office	208,499	209,499	198,860
Finance department			
Administration and support			
Personal services	192,578	194,578	180,734
Employee benefits	44,826	44,826	39,858
Other employee costs	12,970	11,970	9,697
Contractual services	107,925	173,925	153,185
Utilities	6,200	6,200	4,254
Commodities and supplies	14,475	18,100	17,516
Capital expenditures	1,800	1,800	-
Total administration and support	380,774	451,399	405,244
Accounting			
Personal services	322,205	322,205	316,668
Employee benefits	129,597	129,597	118,408
Contractual services	4,900	4,900	4,874
Commodities and supplies	2,100	2,100	1,493
Total accounting	458,802	458,802	441,443

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance department (Continued)			
Insurance			
Personal services	\$ 55,293	\$ 55,293	\$ 56,962
Employee benefits	18,356	18,356	17,137
Insurance	271,570	234,037	233,587
Total insurance	345,219	307,686	307,686
Customer service			
Personal services	261,872	261,872	260,364
Employee benefits	97,336	97,336	89,695
Contractual services	49,000	49,000	36,124
Commodities and supplies	8,445	8,445	7,582
Total customer service	416,653	416,653	393,765
Cash management			
Personal services	38,610	38,610	26,714
Employee benefits	12,736	12,736	9,871
Total cash management	51,346	51,346	36,585
Total finance department	1,652,794	1,685,886	1,584,723
Community development - administration			
Administration and support			
Personal services	180,730	180,730	170,576
Employee benefits	68,352	68,352	62,931
Other employee costs	3,810	3,810	3,713
Contractual services	45,000	88,000	41,056
Utilities	3,051	3,051	2,297
Commodities and supplies	1,010	1,010	1,349
Total administration and support	301,953	344,953	281,922
Planning and zoning			
Personal services	163,568	163,568	117,337
Employee benefits	62,654	62,654	50,360
Other employee costs	6,332	8,832	8,177
Contractual services	198,250	148,250	130,716
Utilities	2,622	2,622	1,261
Commodities and supplies	3,886	3,886	2,892
Total planning and zoning	437,312	389,812	310,743
Economic development			
Personal services	54,756	54,756	52,443
Employee benefits	15,080	15,080	13,703
Other employee costs	2,356	2,356	1,418
Contractual services	39,000	91,300	50,174
Total economic development	111,192	163,492	117,738
Total community development - administration	850,457	898,257	710,403

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Benefit payments			
Contractual services	\$ 45,600	\$ 45,600	\$ 45,460
Total benefit payments	45,600	45,600	45,460
Total general government	5,709,259	5,983,776	5,725,191
PUBLIC SAFETY			
Community development - code enforcement			
Building inspections			
Personal services	526,793	526,793	529,929
Employee benefits	213,609	213,609	197,051
Other employee costs	13,728	16,328	16,288
Contractual services	127,840	127,840	88,495
Utilities	8,491	8,491	8,746
Commodities and supplies	10,874	10,874	9,237
Total community development - code enforcement	901,335	903,935	849,746
Police department			
Administration and support			
Personal services	912,962	1,048,202	1,080,195
Employee benefits	1,898,145	1,898,145	1,874,765
Other employee costs	144,200	147,200	144,345
Contractual services	107,850	113,850	108,902
Utilities	44,700	44,700	35,734
Commodities and supplies	22,820	22,820	21,306
Capital expenditures	1,400	1,400	1,391
Total administration and support	3,132,077	3,276,317	3,266,638
Patrol and traffic enforcement			
Personal services	6,725,060	6,725,060	6,650,601
Employee benefits	1,226,723	1,226,723	1,085,737
Contractual services	502,850	503,850	455,862
Commodities and supplies	72,450	75,450	71,732
Capital expenditures	17,800	17,800	54,705
Total patrol and traffic enforcement	8,544,883	8,548,883	8,318,637
Crime prevention and public services			
Personal services	287,230	287,230	217,013
Employee benefits	60,902	60,902	45,534
Other employee costs	5,300	5,300	2,894
Contractual services	3,500	3,500	3,148
Commodities and supplies	9,150	9,650	14,188
Total crime prevention and public services	366,082	366,582	282,777
Investigative and juvenile			
Personal services	1,051,350	1,051,350	1,028,843
Employee benefits	174,358	174,358	152,445
Contractual services	47,800	39,300	28,225
Commodities and supplies	5,450	5,450	3,531
Total investigative and juvenile	1,278,958	1,270,458	1,213,044

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Crossing guards			
Personal services	\$ 28,100	\$ 28,100	\$ 27,359
Employee benefits	2,160	2,160	2,141
Commodities and supplies	150	150	150
Total crossing guards	<u>30,410</u>	<u>30,410</u>	<u>29,650</u>
Equipment maintenance			
Contractual services	763,903	763,903	746,954
Commodities and supplies	13,900	13,900	14,228
Capital expenditures	12,200	12,200	11,625
Total equipment maintenance	<u>790,003</u>	<u>790,003</u>	<u>772,807</u>
Total police department	<u>14,142,413</u>	<u>14,282,653</u>	<u>13,883,553</u>
Fire and emergency protection department			
Administration and support			
Personal services	552,138	552,138	595,707
Employee benefits	1,707,098	1,707,098	1,697,624
Other employee costs	71,600	73,600	70,516
Contractual services	33,600	38,200	38,249
Commodities and supplies	11,200	11,200	12,740
Capital expenditures	9,150	9,150	8,611
Total administration and support	<u>2,384,786</u>	<u>2,391,386</u>	<u>2,423,447</u>
Fire department operations			
Personal services	5,980,182	6,098,032	6,205,259
Employee benefits	954,125	954,125	843,880
Other employee costs	55,300	57,754	43,748
Contractual services	148,755	148,755	140,733
Commodities and supplies	27,750	27,750	27,556
Capital expenditures	89,900	159,025	157,502
Total fire department operations	<u>7,256,012</u>	<u>7,445,441</u>	<u>7,418,678</u>
Fire training academy			
Personal services	9,000	9,000	4,141
Employee benefits	131	131	61
Commodities and supplies	5,000	5,000	16,385
Total fire training academy	<u>14,131</u>	<u>14,131</u>	<u>20,587</u>
Fire prevention			
Personal services	426,548	421,548	391,208
Employee benefits	146,290	146,290	130,610
Other employee costs	7,325	7,325	7,300
Contractual services	1,900	1,900	1,637
Commodities and supplies	11,800	11,800	14,477
Capital expenditures	800	800	616
Total fire prevention	<u>594,663</u>	<u>589,663</u>	<u>545,848</u>

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire and emergency protection department (Continued)			
Communications			
Contractual services	\$ 11,500	\$ 17,606	\$ 14,221
Utilities	44,200	44,200	35,757
Commodities and supplies	3,500	3,500	3,131
Capital expenditures	2,500	2,515	3,059
Total communications	61,700	67,821	56,168
Equipment maintenance			
Personal services	127,345	127,345	141,348
Employee benefits	46,470	46,470	45,285
Other employee costs	1,100	1,500	1,549
Contractual services	228,900	228,900	235,337
Commodities and supplies	68,950	91,750	97,723
Capital expenditures	500	500	933
Total equipment maintenance	473,265	496,465	522,175
Emergency preparedness			
Personal services	20,699	20,699	9,383
Employee benefits	3,409	3,409	1,120
Other employee costs	1,800	1,800	1,800
Contractual services	5,510	3,710	3,111
Commodities and supplies	15,685	18,885	32,908
Total emergency preparedness	47,103	48,503	48,322
Paid on call			
Personal services	22,960	22,960	18,502
Employee benefits	1,758	1,758	1,097
Other employee costs	12,085	12,085	12,555
Capital expenditures	1,060	1,060	837
Total paid on call	37,863	37,863	32,991
Total fire and emergency protection department	10,869,523	11,091,273	11,068,216
Total public safety	25,913,271	26,277,861	25,801,515
HIGHWAYS AND STREETS			
Public works department			
Administration and support			
Personal services	248,300	248,300	243,546
Employee benefits	150,511	150,511	145,059
Other employee costs	30,802	34,452	33,787
Contractual services	772,075	781,810	770,013
Utilities	20,837	20,837	17,289
Commodities and supplies	14,909	14,909	16,027
Capital expenditures	1,746	1,746	1,314
Total administration and support	1,239,180	1,252,565	1,227,035

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street division			
Administration			
Personal services	\$ 117,625	\$ 117,625	\$ 129,165
Employee benefits	31,625	31,625	31,122
Total administration	149,250	149,250	160,287
Maintenance - public buildings			
Personal services	383,458	392,192	400,981
Employee benefits	127,081	127,081	120,568
Contractual services	303,770	309,770	308,570
Utilities	103,193	78,193	62,089
Commodities and supplies	87,511	87,511	96,617
Total maintenance - public buildings	1,005,013	994,747	988,825
Street maintenance			
Personal services	172,853	182,702	183,341
Employee benefits	49,820	49,820	48,295
Contractual services	15,552	19,928	22,316
Commodities and supplies	25,068	25,068	21,087
Infrastructure	155,000	169,866	158,752
Total street maintenance	418,293	447,384	433,791
Snow removal			
Personal services	218,003	398,003	558,351
Employee benefits	53,792	53,792	103,646
Contractual services	67,176	117,176	166,919
Commodities and supplies	10,188	10,188	17,735
Capital expenditures	15,970	18,770	2,825
Total snow removal	365,129	597,929	849,476
Storm sewer/basin maintenance			
Personal services	122,378	122,378	130,676
Employee benefits	41,891	41,891	39,941
Contractual services	11,670	11,670	3,807
Commodities and supplies	7,231	7,231	5,872
Total storm sewer/basin maintenance	183,170	183,170	180,296
Maintenance of state highways			
Personal services	23,696	35,194	33,388
Employee benefits	7,743	7,743	8,653
Contractual services	17,644	17,644	10,997
Commodities and supplies	23,629	30,829	18,845
Total maintenance of state highways	72,712	91,410	71,883

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street division (Continued)			
Traffic sign maintenance			
Personal services	\$ 77,769	\$ 77,769	\$ 87,576
Employee benefits	25,030	25,030	24,289
Commodities and supplies	21,993	21,993	22,508
Total traffic sign maintenance	<u>124,792</u>	<u>124,792</u>	<u>134,373</u>
Flood control			
Personal services	-	65,000	64,916
Employee benefits	-	9,500	9,199
Contractual services	-	115,000	113,961
Commodities and supplies	-	5,000	3,153
Total flood control	<u>-</u>	<u>194,500</u>	<u>191,229</u>
Storm event			
Personal services	-	-	3,392
Total storm event	<u>-</u>	<u>-</u>	<u>3,392</u>
Total street division	<u>2,318,359</u>	<u>2,783,182</u>	<u>3,013,552</u>
Forestry division			
Administration and support			
Personal services	168,246	168,246	168,813
Employee benefits	52,810	52,810	48,529
Total administration and support	<u>221,056</u>	<u>221,056</u>	<u>217,342</u>
Maintenance of grounds			
Personal services	252,861	258,331	259,594
Employee benefits	78,203	78,203	73,886
Contractual services	170,512	190,936	163,970
Commodities and supplies	8,656	8,656	8,488
Capital expenditures	41,607	44,247	29,084
Total maintenance of grounds	<u>551,839</u>	<u>580,373</u>	<u>535,022</u>
Forestry program			
Personal services	275,726	275,726	288,852
Employee benefits	93,473	93,473	88,469
Other employee costs	3,662	3,662	1,925
Contractual services	708,793	740,893	649,484
Commodities and supplies	10,702	10,702	10,779
Total forestry program	<u>1,092,356</u>	<u>1,124,456</u>	<u>1,039,509</u>

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Forestry division (Continued)			
Public grounds beautification			
Personal services	\$ 24,847	\$ 24,847	\$ 25,219
Employee benefits	7,937	7,937	7,269
Contractual services	14,234	14,234	13,966
Commodities and supplies	53,236	53,236	51,537
Total public grounds beautification	100,254	100,254	97,991
Total forestry division	1,965,505	2,026,139	1,889,864
Engineering division			
Engineering services			
Personal services	554,546	554,546	581,620
Employee benefits	166,086	166,086	159,270
Other employee costs	5,552	5,552	5,208
Contractual services	62,943	62,943	55,814
Commodities and supplies	7,105	7,105	7,292
Capital expenditures	2,184	2,184	-
Total engineering services	798,416	798,416	809,204
Traffic control and street lighting			
Personal services	90,704	90,704	98,223
Employee benefits	28,999	28,999	28,323
Contractual services	5,307	13,307	14,358
Utilities	90,000	82,000	70,746
Commodities and supplies	25,750	25,750	25,642
Total traffic control and street lighting	240,760	240,760	237,292
Total engineering division	1,039,176	1,039,176	1,046,496
Total highways and streets	6,562,220	7,101,062	7,176,947
HEALTH			
Community development - health			
Health inspections			
Personal services	79,712	79,712	83,064
Employee benefits	26,072	29,072	24,777
Other employee costs	1,412	1,412	1,005
Contractual services	8,745	8,745	6,921
Utilities	1,955	1,955	700
Commodities and supplies	2,513	2,513	2,600
Total health	120,409	123,409	119,067
WELFARE			
Human services department			
Administration and support			
Personal services	113,313	113,313	124,223
Employee benefits	41,431	41,431	40,399
Other employee costs	1,600	1,600	1,349

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
WELFARE (Continued)			
Human services department (Continued)			
Administration and support (Continued)			
Contractual services	\$ 12,478	\$ 12,478	\$ 11,289
Utilities	8,500	10,000	7,847
Commodities and supplies	7,180	74,680	85,938
Capital expenditures	1,000	1,000	839
Total administration and support	185,502	254,502	271,884
Social services			
Personal services	260,971	260,971	262,322
Employee benefits	91,017	91,017	84,257
Other employee costs	1,650	1,650	1,368
Commodities and supplies	1,000	2,500	2,079
Total social services	354,638	356,138	350,026
Nursing/health services			
Personal services	100,871	100,871	106,973
Employee benefits	35,702	35,702	33,889
Other employee costs	500	500	223
Contractual services	31,650	31,650	28,937
Commodities and supplies	32,286	32,786	15,335
Total nursing/health services	201,009	201,509	185,357
Human services programs			
Personal services	25,307	25,307	17,641
Employee benefits	8,291	8,291	6,694
Contractual services	12,000	12,000	6,929
Commodities and supplies	700	700	471
Total senior center programs	46,298	46,298	31,735
Total human services department	787,447	858,447	839,002
Community development - housing			
Housing inspections			
Personal services	322,484	322,484	320,227
Employee benefits	125,141	125,141	115,609
Other employee costs	6,081	6,781	4,484
Contractual services	45,346	59,646	45,226
Utilities	3,155	3,155	859
Commodities and supplies	6,092	6,092	4,854
Capital expenditures	9,000	22,000	-
Total community development - housing	517,299	545,299	491,259
Total welfare	1,304,746	1,403,746	1,330,261

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual
CULTURE AND RECREATION			
Community and civic services			
Community groups and miscellaneous			
Contractual services	\$ 115,100	\$ 115,100	\$ 112,826
Other expenditures	11,000	11,000	6,600
Total community groups and miscellaneous	<u>126,100</u>	<u>126,100</u>	<u>119,426</u>
4th of July and civic events			
Personal services	85,000	85,000	91,451
Employee benefits	13,992	13,992	10,973
Contractual services	29,995	52,070	46,105
Commodities and supplies	14,455	16,555	15,924
Total 4th of July and civic events	<u>143,442</u>	<u>167,617</u>	<u>164,453</u>
Holiday decorations			
Personal services	6,694	6,694	7,354
Employee benefits	2,381	2,381	2,323
Contractual services	65,570	70,970	70,688
Commodities and supplies	14,832	14,832	15,076
Total holiday decorations	<u>89,477</u>	<u>94,877</u>	<u>95,441</u>
Blood donor program			
Personal services	1,920	1,920	1,812
Employee benefits	147	147	138
Commodities and supplies	840	840	622
Total blood donor program	<u>2,907</u>	<u>2,907</u>	<u>2,572</u>
Total culture and recreation	<u>361,926</u>	<u>391,501</u>	<u>381,892</u>
TOTAL EXPENDITURES	<u>\$ 39,971,831</u>	<u>\$ 41,281,355</u>	<u>\$ 40,534,873</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Property taxes - levy	\$ 1,308,500	\$ 1,283,797
Property taxes - other	1,133,500	1,133,500
Other taxes	1,250,000	1,221,967
Investment income	96,000	22,760
	<u>3,788,000</u>	<u>3,662,024</u>
EXPENDITURES		
Debt service		
Principal retirement	3,794,736	3,794,735
Interest and fiscal charges	869,903	870,003
	<u>4,664,639</u>	<u>4,664,738</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (876,639)</u></u>	(1,002,714)
FUND BALANCE, JANUARY 1		<u>94,398</u>
FUND BALANCE (DEFICIT), DECEMBER 31		<u><u>\$ (908,316)</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Motor Fuel Tax Fund - 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 - 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.

Local Law Enforcement Block Grant (LLEBG) Fund - to account for revenues and expenditures associated with LLEBG. The grant is provided by the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

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

DEA Shared Funds Fund - 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 - to account for revenues and expenditures associated with the Cook County DUI fine program. Use of the funds is restricted to the fight against drunk driving.

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Nonmajor Capital Projects Funds

Capital Improvement Fund - to account for the resources to provide for certain capital improvements and the replacement of Village equipment. Financing is being provided by developer contributions, transfers from other funds, interest income, and the sale of property.

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

Flood Control Construction Fund - 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 - 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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Local Law Enforcement Block Grant	Asset Seizure	DEA Shared Funds
ASSETS					
Cash and investments	\$ 273,251	\$ 2,543	\$ -	\$ 54,751	\$ 31,857
Receivables					
Property taxes receivable	-	-	-	-	-
Other taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Other	3,349	-	-	-	-
Due from other governments	139,920	535,550	-	-	-
Prepaid items	-	245	-	-	-
TOTAL ASSETS	\$ 416,520	\$ 538,338	\$ -	\$ 54,751	\$ 31,857
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 184,282	\$ 25,129	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	300,000	4,213	-	-	-
Deferred revenues	27,925	508,996	-	-	-
Total liabilities	512,207	538,338	-	-	-
FUND BALANCES					
Reserved for prepaid items	-	245	-	-	-
Reserved for public safety	-	-	-	54,751	31,857
Reserved for capital outlay	-	-	-	-	-
Unreserved - Special Revenue Funds	(95,687)	(245)	-	-	-
Unreserved for Capital Projects Funds	-	-	-	-	-
Total fund balances (deficit)	(95,687)	-	-	54,751	31,857
TOTAL LIABILITIES AND FUND BALANCES	\$ 416,520	\$ 538,338	\$ -	\$ 54,751	\$ 31,857

Special Revenue			Capital Projects				Totals
DUI Fines	Foreign Fire Insurance	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction		
\$ 18,461	\$ 83,819	\$ 979,322	\$ 313,365	\$ 416,435	\$ 614,405	\$ 2,788,209	
-	-	-	25,332	-	-	25,332	
-	-	275,820	-	-	298,317	574,137	
-	-	114	-	-	-	114	
-	-	-	20,691	-	25,425	49,465	
-	-	-	-	-	-	675,470	
-	2,151	-	-	-	-	2,396	
<u>\$ 18,461</u>	<u>\$ 85,970</u>	<u>\$ 1,255,256</u>	<u>\$ 359,388</u>	<u>\$ 416,435</u>	<u>\$ 938,147</u>	<u>\$ 4,115,123</u>	
\$ -	\$ -	\$ 234,928	\$ 55,896	\$ 4,243	\$ 174,769	\$ 679,247	
-	-	-	-	-	-	-	
-	-	-	-	-	517	304,730	
-	-	18,750	-	-	-	555,671	
-	-	253,678	55,896	4,243	175,286	1,539,648	
-	2,151	-	-	-	-	2,396	
18,461	83,819	-	-	-	-	188,888	
-	-	1,001,578	-	412,192	762,861	2,176,631	
-	-	-	-	-	-	(95,932)	
-	-	-	303,492	-	-	303,492	
<u>18,461</u>	<u>85,970</u>	<u>1,001,578</u>	<u>303,492</u>	<u>412,192</u>	<u>762,861</u>	<u>2,575,475</u>	
<u>\$ 18,461</u>	<u>\$ 85,970</u>	<u>\$ 1,255,256</u>	<u>\$ 359,388</u>	<u>\$ 416,435</u>	<u>\$ 938,147</u>	<u>\$ 4,115,123</u>	

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Local Law Enforcement Block Grant	Asset Seizure	DEA Shared Funds
REVENUES					
Property taxes - other	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Intergovernmental	1,521,495	342,372	-	1,087	27,491
Investment income	16,717	26	-	1,164	515
Miscellaneous	20,078	64,132	-	-	-
Total revenues	1,558,290	406,530	-	2,251	28,006
EXPENDITURES					
Current					
Public safety	-	-	-	24,820	33,826
Highways and streets	1,991,124	-	-	-	-
Welfare	-	406,530	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,991,124	406,530	-	24,820	33,826
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(432,834)	-	-	(22,569)	(5,820)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(432,834)	-	-	(22,569)	(5,820)
FUND BALANCES, JANUARY 1	337,147	-	-	77,320	37,677
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (95,687)	\$ -	\$ -	\$ 54,751	\$ 31,857

Special Revenue			Capital Projects			Totals
DUI Fines	Foreign Fire Insurance	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	
\$ -	\$ -	\$ -	\$ 1,078,751	\$ -	\$ -	\$ 1,078,751
-	34,126	1,129,813	-	-	1,499,343	2,663,282
15,525	-	-	-	-	-	1,907,970
139	605	11,334	33,225	11,453	23,657	98,835
-	-	22,326	-	-	10,414	116,950
15,664	34,731	1,163,473	1,111,976	11,453	1,533,414	5,865,788
16,480	29,633	-	-	-	-	104,759
-	-	-	-	-	-	1,991,124
-	-	-	-	-	-	406,530
-	-	1,383,122	2,747,440	193,110	2,300,298	6,623,970
-	-	-	355,000	-	-	355,000
-	-	-	21,178	-	-	21,178
16,480	29,633	1,383,122	3,123,618	193,110	2,300,298	9,502,561
(816)	5,098	(219,649)	(2,011,642)	(181,657)	(766,884)	(3,636,773)
-	-	809,422	-	-	-	809,422
(10,968)	-	-	-	-	-	(10,968)
(10,968)	-	809,422	-	-	-	798,454
(11,784)	5,098	589,773	(2,011,642)	(181,657)	(766,884)	(2,838,319)
30,245	80,872	411,805	2,315,134	593,849	1,529,745	5,413,794
\$ 18,461	\$ 85,970	\$ 1,001,578	\$ 303,492	\$ 412,192	\$ 762,861	\$ 2,575,475

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Intergovernmental		
Motor fuel tax allotments	\$ 1,568,000	\$ 1,504,420
Grants	-	17,075
Investment income	20,500	16,717
Miscellaneous		
Project reimbursements	14,500	20,078
	<u>1,603,000</u>	<u>1,558,290</u>
Total revenues	1,603,000	1,558,290
EXPENDITURES		
Highways and streets		
Street division	1,947,002	1,991,124
	<u>1,947,002</u>	<u>1,991,124</u>
NET CHANGE IN FUND BALANCE	<u>\$ (344,002)</u>	(432,834)
FUND BALANCE, JANUARY 1		<u>337,147</u>
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ (95,687)</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
HIGHWAYS AND STREETS		
Public works department		
Street division		
Street maintenance		
Contractual services	\$ 99,432	\$ 46,984
Snow removal		
Commodities and supplies	260,000	408,273
Traffic control/street lighting		
Contractual services	111,870	101,820
Utilities	150,000	156,251
Infrastructure	50,000	21,218
Street improvement projects		
Contractual services	1,000	-
Infrastructure	1,274,700	1,256,578
TOTAL EXPENDITURES	\$ 1,947,002	\$ 1,991,124

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Intergovernmental		
Grant - CDBG	\$ 666,976	\$ 342,372
Investment income	-	26
Miscellaneous		
Project income	80,000	64,132
	<u>746,976</u>	<u>406,530</u>
Total revenues		
EXPENDITURES		
Welfare		
Administration	93,476	77,920
Community programs	93,500	78,500
Neighborhood improvements	385,000	69,692
Residential rehabilitation	200,000	180,418
	<u>771,976</u>	<u>406,530</u>
Total expenditures		
NET CHANGE IN FUND BALANCE	<u>\$ (25,000)</u>	-
FUND BALANCE, JANUARY 1		<u>-</u>
FUND BALANCE, DECEMBER 31		<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
WELFARE		
Community development - administration		
Administration and support		
Personal services	\$ 58,450	\$ 54,035
Employee benefits	21,959	19,748
Other employee costs	2,165	531
Contractual services	9,925	3,352
Commodities and supplies	977	254
	<u>93,476</u>	<u>77,920</u>
Community programs		
Contractual services	93,500	78,500
	<u>93,500</u>	<u>78,500</u>
Neighborhood improvements		
Capital expenditures	385,000	69,692
	<u>385,000</u>	<u>69,692</u>
Residential rehabilitation		
Other expenditures	200,000	180,418
	<u>200,000</u>	<u>180,418</u>
TOTAL EXPENDITURES	<u>\$ 771,976</u>	<u>\$ 406,530</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Intergovernmental Grant - LLEBG	\$ 1,000	\$ -
EXPENDITURES		
Public safety Patrol and traffic enforcement Capital expenditures	1,000	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	-
FUND BALANCE, JANUARY 1		<u>-</u>
FUND BALANCE, DECEMBER 31		<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSET SEIZURE FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Intergovernmental		
Seized assets	\$ 1,000	\$ 1,087
Investment income	2,000	1,164
	<hr/>	
Total revenues	3,000	2,251
	<hr/>	
EXPENDITURES		
Public safety		
Other employee costs	8,000	7,800
Capital expenditures	20,000	17,020
	<hr/>	
Total expenditures	28,000	24,820
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ (25,000)</u>	(22,569)
FUND BALANCE, JANUARY 1		<u>77,320</u>
FUND BALANCE, DECEMBER 31		<u>\$ 54,751</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEA SHARED FUNDS FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
	<u> </u>	<u> </u>
REVENUES		
Intergovernmental		
DEA shared funds	\$ 1,000	\$ 27,491
Investment income	1,500	515
	<u> </u>	<u> </u>
Total revenues	2,500	28,006
EXPENDITURES		
Public safety		
Capital expenditures	35,000	33,826
	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCE	<u>\$ (32,500)</u>	(5,820)
FUND BALANCE, JANUARY 1		<u>37,677</u>
FUND BALANCE, DECEMBER 31		<u>\$ 31,857</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DUI FINES FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Intergovernmental		
DUI fines	\$ 20,000	\$ 15,525
Investment income	1,250	139
	<u>21,250</u>	<u>15,664</u>
Total revenues		
EXPENDITURES		
Public safety		
Patrol and traffic enforcement		
Other employee costs	10,000	6,545
Capital expenditures	25,000	9,935
	<u>35,000</u>	<u>16,480</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,750)	(816)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(10,968)
NET CHANGE IN FUND BALANCE	<u>\$ (13,750)</u>	(11,784)
FUND BALANCE, JANUARY 1		<u>30,245</u>
FUND BALANCE, DECEMBER 31		<u>\$ 18,461</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Other taxes		
Foreign fire insurance tax	\$ 40,000	\$ 34,126
Investment income	2,500	605
	<u>42,500</u>	<u>34,731</u>
EXPENDITURES		
Public safety		
Insurance	500	473
Contractual services	4,000	1,988
Supplies	4,000	3,000
Equipment	30,000	24,172
	<u>38,500</u>	<u>29,633</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	5,098
FUND BALANCE, JANUARY 1		<u>80,872</u>
FUND BALANCE, DECEMBER 31		<u>\$ 85,970</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Other taxes		
Home rule sales tax	\$ 1,150,000	\$ 1,129,813
Intergovernmental		
Grants	31,250	-
Investment income	6,500	11,334
Miscellaneous		
Donations	25,000	22,326
	<u>1,212,750</u>	<u>1,163,473</u>
Total revenues		
EXPENDITURES		
Capital outlay		
Village facilities	487,200	562,301
Equipment	1,177,375	587,712
Public improvements	50,000	37,145
Infrastructure	336,000	195,964
	<u>2,050,575</u>	<u>1,383,122</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(837,825)</u>	<u>(219,649)</u>
OTHER FINANCING SOURCES (USES)		
Transfer in	<u>721,000</u>	<u>809,422</u>
Total other financing sources (uses)	<u>721,000</u>	<u>809,422</u>
NET CHANGE IN FUND BALANCE	<u>\$ (116,825)</u>	589,773
FUND BALANCE, JANUARY 1		<u>411,805</u>
FUND BALANCE, DECEMBER 31		<u>\$ 1,001,578</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
CAPITAL OUTLAY		
Village facilities		
Other public buildings	\$ 126,200	\$ 53,400
Architect fees	361,000	503,901
Space needs study	-	5,000
Total village facilities	<u>487,200</u>	<u>562,301</u>
Equipment		
Other equipment	<u>1,177,375</u>	<u>587,712</u>
Total equipment	<u>1,177,375</u>	<u>587,712</u>
Public improvements		
Corridor improvements	<u>50,000</u>	<u>37,145</u>
Infrastructure		
Traffic improvements study	-	5,851
Detention pond improvements	196,000	190,113
Residential street lights	40,000	-
Wolf Road - engineering	<u>100,000</u>	<u>-</u>
Total infrastructure	<u>336,000</u>	<u>195,964</u>
TOTAL EXPENDITURES	<u><u>\$ 2,050,575</u></u>	<u><u>\$ 1,383,122</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Property taxes - other		
Tax increment	\$ 1,346,500	\$ 1,078,751
Investment income	75,000	33,225
	<hr/>	
Total revenues	1,421,500	1,111,976
	<hr/>	
EXPENDITURES		
Capital outlay		
Public improvements		
Contractual services	372,260	340,186
Public improvements	3,333,000	1,423,429
Infrastructure	1,578,500	983,825
Debt service		
Principal retirement	355,000	355,000
Interest and fiscal charges	22,500	21,178
	<hr/>	
Total expenditures	5,661,260	3,123,618
	<hr/>	
NET CHANGE IN FUND BALANCE	\$ (4,239,760)	(2,011,642)
	<hr/>	
FUND BALANCE, JANUARY 1		2,315,134
	<hr/>	
FUND BALANCE, DECEMBER 31		\$ 303,492
	<hr/>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
DOWNTOWN REDEVELOPMENT CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
CAPITAL OUTLAY		
Public improvements		
Contractual services		
Audit services	\$ 950	\$ 950
Legal costs	75,000	52,680
Relocation	175,000	175,000
Other professional services	30,000	20,246
Incentive	91,310	91,310
Total contractual services	<u>372,260</u>	<u>340,186</u>
Public improvements		
Property acquisition	3,000,000	1,275,000
Demolition	100,000	10,705
NWE sales tax rebate	173,000	114,219
Interior buildout	40,000	-
Facade program	20,000	23,505
Total public improvements	<u>3,333,000</u>	<u>1,423,429</u>
Infrastructure		
Downtown streetscape program	1,543,500	952,225
Brick sidewalk	35,000	31,600
Total infrastructure	<u>1,578,500</u>	<u>983,825</u>
DEBT SERVICE		
Principal retirement	355,000	355,000
Interest and fiscal charges	22,500	21,178
Total debt service	<u>377,500</u>	<u>376,178</u>
TOTAL EXPENDITURES	<u><u>\$ 5,661,260</u></u>	<u><u>\$ 3,123,618</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FLOOD CONTROL CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Licenses, permits, and fees	\$ 80,000	\$ -
Investment income	10,000	11,453
Total revenues	<u>90,000</u>	<u>11,453</u>
EXPENDITURES		
Capital outlay		
Public improvements		
Infrastructure	515,000	190,116
Other	5,000	2,994
Total expenditures	<u>520,000</u>	<u>193,110</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (430,000)</u></u>	(181,657)
FUND BALANCE, JANUARY 1		<u>593,849</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 412,192</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FLOOD CONTROL CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
CAPITAL OUTLAY		
Public improvements		
Infrastructure		
Creek bank stabilization	\$ 25,000	\$ 24,377
Creek tree trimming	30,000	29,383
Prospect meadows flood improvements	300,000	62,077
Levee 37	155,000	60,305
Drainage improvements	5,000	13,974
	<hr/>	<hr/>
Total infrastructure	515,000	190,116
	<hr/>	<hr/>
Other		
Residential reimbursements	5,000	2,994
	<hr/>	<hr/>
Total other	5,000	2,994
	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 520,000	\$ 193,110

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT CONSTRUCTION FUND

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2008

	Final Budget	Actual
REVENUES		
Other taxes		
Home rule sales tax	\$ 1,280,000	\$ 1,221,967
Municipal motor fuel tax	363,500	277,376
Investment income	50,000	23,657
Miscellaneous income	-	10,414
	<hr/>	
Total revenues	1,693,500	1,533,414
EXPENDITURES		
Capital outlay		
Infrastructure		
Street reconstruction	2,939,500	2,300,298
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ (1,246,000)</u>	(766,884)
FUND BALANCE, JANUARY 1		<u>1,529,745</u>
FUND BALANCE, DECEMBER 31		<u>\$ 762,861</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE		
Administration and support		
Personal services	\$ 420,771	\$ 402,313
Employee benefits	186,059	168,947
Other employee costs	44,430	30,743
Contractual services	589,334	573,968
Utilities	76,914	44,489
Insurance	80,367	69,772
Commodities and supplies	11,320	10,581
Capital expenditures	8,365	6,144
Total administration and support	<u>1,417,560</u>	<u>1,306,957</u>
Maintenance of buildings		
Personal services	126,969	131,333
Employee benefits	46,468	43,989
Contractual services	19,675	12,684
Utilities	12,030	4,612
Commodities and supplies	1,090	6
Total maintenance of buildings	<u>206,232</u>	<u>192,624</u>
Maintenance of grounds		
Personal services	66,881	56,797
Employee benefits	14,622	12,760
Contractual services	40,465	39,487
Commodities and supplies	5,130	5,260
Total maintenance of grounds	<u>127,098</u>	<u>114,304</u>
Water supply maintenance and repair		
Personal services	322,542	287,284
Employee benefits	120,868	106,138
Contractual services	67,005	46,896
Utilities	120,000	142,030
Commodities and supplies	24,660	24,767
Capital expenditures	763,240	4,225
Total water supply maintenance and repair	<u>1,418,315</u>	<u>611,340</u>

(This schedule is continued on the following pages.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE (Continued)		
Water distribution maintenance and repair		
Personal services	\$ 322,274	\$ 341,610
Employee benefits	88,856	85,965
Contractual services	240,525	209,673
Commodities and supplies	86,785	72,922
Capital expenditures	1,070,405	20,316
Total water distribution maintenance and repair	<u>1,808,845</u>	<u>730,486</u>
Water valve and hydrant maintenance		
Personal services	211,531	218,836
Employee benefits	73,175	69,390
Contractual services	4,326	2,510
Commodities and supplies	76,050	59,318
Total water valve and hydrant maintenance	<u>365,082</u>	<u>350,054</u>
Water meter installation, repair, and replacement		
Personal services	173,506	160,528
Employee benefits	54,280	48,691
Contractual services	96,214	84,381
Commodities and supplies	4,805	2,272
Capital expenditures	53,815	25,543
Total water meter installation, repair, and replacement	<u>382,620</u>	<u>321,415</u>
Equipment maintenance		
Contractual services	<u>643,384</u>	<u>643,384</u>
Sanitary sewer maintenance and repair		
Personal services	189,497	198,039
Employee benefits	65,700	62,225
Contractual services	153,915	133,092
Commodities and supplies	54,645	32,188
Total sanitary sewer maintenance and repair	<u>463,757</u>	<u>425,544</u>

(This schedule is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
 WATER AND SEWER FUND

MAJOR ENTERPRISE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE (Continued)		
Water system improvements		
Contractual services	\$ 478,500	\$ 412,738
Capital expenditures	1,571,200	102,937
Less capital expenditures capitalized	-	-
Total water system improvements	<u>2,049,700</u>	<u>515,675</u>
Lake Michigan water acquisition		
Contractual services	<u>4,010,000</u>	<u>3,291,222</u>
Total Lake Michigan water acquisition	<u>4,010,000</u>	<u>3,291,222</u>
Total administration and maintenance	12,892,593	8,503,005
Depreciation	<u>-</u>	<u>676,394</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 12,892,593</u></u>	<u><u>\$ 9,179,399</u></u>

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

Parking System Revenue Fund - 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 - 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

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

December 31, 2008

	Parking System Revenue	Village Parking System	Total
CURRENT ASSETS			
Cash and investments	\$ 186,782	\$ 172,108	\$ 358,890
Taxes receivable	12,374	10,124	22,498
Prepaid expense	132	-	132
Total current assets	199,288	182,232	381,520
CAPITAL ASSETS			
Capital assets not being depreciated	-	189,267	189,267
Capital assets being depreciated, cost	195,012	328,041	523,053
Accumulated depreciation	(182,824)	(290,379)	(473,203)
Net capital assets	12,188	226,929	239,117
Total assets	211,476	409,161	620,637
CURRENT LIABILITIES			
Accounts payable	10,836	-	10,836
Accrued payroll	168	253	421
Unearned revenue	4,287	4,281	8,568
Due to other funds	350,000	-	350,000
Total current liabilities	365,291	4,534	369,825
LONG-TERM LIABILITIES			
Net other postemployment benefits obligation	-	1,100	1,100
NET ASSETS			
Invested in capital assets	12,188	226,929	239,117
Unrestricted	(166,003)	176,598	10,595
TOTAL NET ASSETS	\$ (153,815)	\$ 403,527	\$ 249,712

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGE IN NET ASSETS - BUDGET AND ACTUAL

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2008

	Parking System Revenue		Village Parking System		Total Final Budget		Total Actual
	Final Budget	Actual	Final Budget	Actual			
	OPERATING REVENUES						
Charges for services							
Parking fees							
Rental fees	\$ -	\$ -	\$ 7,900	\$ 7,072	\$ 7,900	\$ 7,072	\$ 7,072
Parking fees - Lot A	55,000	70,210	-	-	55,000	70,210	70,210
Parking fees - Lot C	45,000	57,124	-	-	45,000	57,124	57,124
Parking fees - Lot D	-	-	84,000	127,261	84,000	127,261	127,261
Parking permits	-	-	250	-	250	-	-
Space rent - Wille Street lot	-	-	6,000	7,733	6,000	7,733	7,733
Total operating revenues	<u>100,000</u>	<u>127,334</u>	<u>98,150</u>	<u>142,066</u>	<u>198,150</u>	<u>269,400</u>	
OPERATING EXPENSES							
Administration, maintenance, and improvements	142,164	160,638	123,769	88,970	265,933	249,608	
Depreciation	-	6,983	-	6,803	-	13,786	
Total operating expenses	<u>142,164</u>	<u>167,621</u>	<u>123,769</u>	<u>95,773</u>	<u>265,933</u>	<u>263,394</u>	
OPERATING INCOME (LOSS)	<u>(42,164)</u>	<u>(40,287)</u>	<u>(25,619)</u>	<u>46,293</u>	<u>(67,783)</u>	<u>6,006</u>	
NONOPERATING REVENUES (EXPENSES)							
Home rule sales tax	55,000	50,685	45,000	41,469	100,000	92,154	
Investment income	1,000	-	1,000	1,479	2,000	1,479	
Total nonoperating revenues (expenses)	<u>56,000</u>	<u>50,685</u>	<u>46,000</u>	<u>42,948</u>	<u>102,000</u>	<u>93,633</u>	
CHANGE IN NET ASSETS	<u>\$ 13,836</u>	<u>10,398</u>	<u>\$ 20,381</u>	<u>89,241</u>	<u>\$ 34,217</u>	<u>99,639</u>	
NET ASSETS (DEFICIT), JANUARY 1		<u>(164,213)</u>		<u>314,286</u>		<u>150,073</u>	
NET ASSETS (DEFICIT), DECEMBER 31		<u>\$ (153,815)</u>		<u>\$ 403,527</u>		<u>\$ 249,712</u>	

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2008

	Parking System Revenue	Village Parking System	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 112,344	\$ 124,080	\$ 236,424
Payments to suppliers	(112,494)	(66,203)	(178,697)
Payments to employees	(43,648)	(22,736)	(66,384)
Net cash from operating activities	(43,798)	35,141	(8,657)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Sales tax	38,311	31,345	69,656
Interfund transactions	192,269	-	192,269
Net cash from noncapital financing activities	230,580	31,345	261,925
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	-	1,479	1,479
Net cash from investing activities	-	1,479	1,479
NET INCREASE IN CASH AND CASH EQUIVALENTS	186,782	67,965	254,747
CASH AND CASH EQUIVALENTS, JANUARY 1	-	104,143	104,143
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 186,782	\$ 172,108	\$ 358,890

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2008

	Parking System Revenue	Village Parking System	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (40,287)	\$ 46,293	\$ 6,006
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	6,983	6,803	13,786
Changes in assets and liabilities			
Accounts receivable	-	-	-
Prepaid expenses	(132)	-	(132)
Accounts payable	5,726	(625)	5,101
Accrued payroll and compensated absences	(1,097)	(444)	(1,541)
Net other post-employment benefits obligation	-	1,100	1,100
Deferred revenues	(14,991)	(17,986)	(32,977)
NET CASH FROM OPERATING ACTIVITIES	\$ (43,798)	\$ 35,141	\$ (8,657)
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 186,782	\$ 172,108	\$ 358,890
TOTAL CASH AND INVESTMENTS	\$ 186,782	\$ 172,108	\$ 358,890

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2008

	Parking System Revenue		Village Parking System		Total Final Budget	Total Actual
	Final Budget	Actual	Final Budget	Actual		
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS						
Personal services	\$ 19,176	\$ 33,101	\$ 28,764	\$ 15,075	\$ 47,940	\$ 48,176
Employee benefits	7,747	9,318	11,620	8,316	19,367	17,634
Contractual services	98,871	104,175	73,708	63,314	172,579	167,489
Utilities	6,037	9,536	-	-	6,037	9,536
Insurance	747	647	1,121	971	1,868	1,618
Commodities and supplies	9,586	3,861	2,000	1,294	11,586	5,155
Capital expenditures	-	-	6,556	-	6,556	-
Total administration, maintenance, and improvements	142,164	160,638	123,769	88,970	265,933	249,608
Depreciation	-	6,983	-	6,803	-	13,786
TOTAL OPERATING EXPENSES	\$ 142,164	\$ 167,621	\$ 123,769	\$ 95,773	\$ 265,933	\$ 263,394

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

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

Risk Management Fund - 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 to the various Village funds.

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

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

December 31, 2008

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CURRENT ASSETS					
Cash and investments	\$ 801,236	\$ 2,947,010	\$ 6,826,103	\$ 457,456	\$ 11,031,805
Receivables					
Accrued interest	281	3,764	13,910	114	18,069
Other taxes	-	-	7,876	10,204	18,080
Other	-	-	-	312	312
Inventories	-	-	-	382,481	382,481
Prepaid expenses	-	27,852	-	1,059	28,911
Total current assets	801,517	2,978,626	6,847,889	851,626	11,479,658
NONCURRENT ASSETS					
Deposits - insurance	-	792,641	-	-	792,641
CAPITAL ASSETS					
Capital assets being depreciated, cost	-	-	11,420,305	191,020	11,611,325
Accumulated depreciation	-	-	(7,479,746)	(147,150)	(7,626,896)
Net capital assets	-	-	3,940,559	43,870	3,984,429
Total assets	801,517	3,771,267	10,788,448	895,496	16,256,728
CURRENT LIABILITIES					
Accounts payable	-	22,961	18,451	71,587	112,999
Accrued payroll	-	-	-	12,038	12,038
Claims payable	-	1,340,993	-	-	1,340,993
Compensated absences payable	-	-	-	7,486	7,486
Total current liabilities	-	1,363,954	18,451	91,111	1,473,516
LONG-TERM LIABILITIES					
Compensated absences payable	-	-	-	142,239	142,239
Net other postemployment benefits obligation	-	-	-	8,500	8,500
Total long-term liabilities	-	-	-	150,739	150,739
Total liabilities	-	1,363,954	18,451	241,850	1,624,255
NET ASSETS					
Invested in capital assets	-	-	3,940,559	43,870	3,984,429
Unrestricted	801,517	2,407,313	6,829,438	609,776	10,648,044
TOTAL NET ASSETS	\$ 801,517	\$ 2,407,313	\$ 10,769,997	\$ 653,646	\$ 14,632,473

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2008

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
OPERATING REVENUES					
Charges for services					
General Fund	\$ 151,002	\$ 3,936,602	\$ 651,700	\$ 1,084,512	\$ 5,823,816
Refuse Disposal Fund	485	55,921	-	-	56,406
Community Development					
Block Grant Fund	-	11,158	-	-	11,158
Water and Sewer Fund	13,199	385,674	193,100	450,284	1,042,257
Parking Fund	-	11,650	7,900	8,332	27,882
Vehicle Maintenance Fund	1,940	115,293	-	-	117,233
Library	-	522,056	-	-	522,056
Other fees	-	-	33,565	-	33,565
Contributions					
Employee	-	359,186	-	-	359,186
Retiree	-	619,494	-	-	619,494
Flexcomp	-	5,144	-	-	5,144
Miscellaneous					
Reimbursements	-	10,509	-	-	10,509
Other	-	-	-	244	244
Total operating revenues	166,626	6,032,687	886,265	1,543,372	8,628,950
OPERATING EXPENSES					
Administration and maintenance	91,788	281,850	-	1,659,201	2,032,839
Insurance and claims	-	5,983,164	-	-	5,983,164
Depreciation	-	-	948,922	10,110	959,032
Total operating expenses	91,788	6,265,014	948,922	1,669,311	8,975,035
OPERATING INCOME (LOSS)	74,838	(232,327)	(62,657)	(125,939)	(346,085)
NONOPERATING REVENUES (EXPENSES)					
Investment income	16,603	72,417	172,287	11,010	272,317
Gain on disposal of capital assets	-	-	22,653	-	22,653
Total nonoperating revenues (expenses)	16,603	72,417	194,940	11,010	294,970
NET INCOME (LOSS) BEFORE TRANSFERS	91,441	(159,910)	132,283	(114,929)	(51,115)
TRANSFER IN	-	-	23,820	-	23,820
CHANGE IN NET ASSETS	91,441	(159,910)	156,103	(114,929)	(27,295)
NET ASSETS, JANUARY 1	710,076	2,567,223	10,613,894	768,575	14,659,768
NET ASSETS, DECEMBER 31	\$ 801,517	\$ 2,407,313	\$ 10,769,997	\$ 653,646	\$ 14,632,473

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2008

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ 166,626	\$ 5,038,354	\$ 864,854	\$ 1,542,535	\$ 7,612,369
Receipts from miscellaneous revenues	-	995,181	25,988	244	1,021,413
Payments to suppliers	(103,107)	(6,125,752)	-	(663,095)	(6,891,954)
Payments to employees	-	-	-	(1,004,177)	(1,004,177)
Net cash from operating activities	63,519	(92,217)	890,842	(124,493)	737,651
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer in	-	-	23,820	-	23,820
Net cash from noncapital financing activities	-	-	23,820	-	23,820
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	31,103	-	31,103
Acquisition of capital assets	-	-	(926,107)	-	(926,107)
Net cash from capital and related financing activities	-	-	(895,004)	-	(895,004)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	400,000	2,658,357	5,249,947	403,134	8,711,438
Purchase of investments	(50,000)	(1,252,568)	(2,885,210)	(50,514)	(4,238,292)
Interest	14,816	74,655	226,362	12,534	328,367
Net cash from investing activities	364,816	1,480,444	2,591,099	365,154	4,801,513
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	428,335	1,388,227	2,610,757	240,661	4,667,980
CASH AND CASH EQUIVALENTS, JANUARY 1	145,893	(165,804)	174,666	48,276	203,031
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 574,228	\$ 1,222,423	\$ 2,785,423	\$ 288,937	\$ 4,871,011

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2008

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH FLOWS FROM					
OPERATING ACTIVITIES					
Operating income (loss)	\$ 74,838	\$ (232,327)	\$ (62,657)	\$ (125,939)	\$ (346,085)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	-	-	948,922	10,110	959,032
Changes in assets and liabilities					
Receivables	-	-	(7,577)	(593)	(8,170)
Inventories	-	-	-	(23,403)	(23,403)
Prepaid expenses	-	(4,032)	-	(1,059)	(5,091)
Deposits - insurance	-	19,056	-	-	19,056
Accounts payable	(11,319)	9,793	12,154	34,010	44,638
Accrued payroll and compensated absences	-	-	-	(26,119)	(26,119)
Net other post-employment benefits obligation	-	-	-	8,500	8,500
Claims payable	-	115,293	-	-	115,293
NET CASH FROM OPERATING ACTIVITIES	\$ 63,519	\$ (92,217)	\$ 890,842	\$ (124,493)	\$ 737,651
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 574,228	\$ 1,222,423	\$ 2,785,423	\$ 288,937	\$ 4,871,011
Investments	227,008	1,724,587	4,040,680	168,519	6,160,794
TOTAL CASH AND INVESTMENTS	\$ 801,236	\$ 2,947,010	\$ 6,826,103	\$ 457,456	\$ 11,031,805

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 COMPUTER REPLACEMENT FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund	\$ 151,000	\$ 151,002
Refuse Disposal Fund	500	485
Water and Sewer Fund	13,199	13,199
Vehicle Maintenance Fund	2,000	1,940
	166,699	166,626
OPERATING EXPENSES		
Administration		
Capital outlay	138,500	91,788
	28,199	74,838
OPERATING INCOME		
	28,199	74,838
NONOPERATING REVENUES (EXPENSES)		
Investment income	30,000	16,603
	58,199	91,441
CHANGE IN NET ASSETS		
	\$ 58,199	91,441
NET ASSETS, JANUARY 1		710,076
NET ASSETS, DECEMBER 31		\$ 801,517

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
RISK MANAGEMENT FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund	\$ 3,767,000	\$ 3,936,602
Refuse Disposal Fund	63,978	55,921
Community Development Block Grant Fund	12,680	11,158
Water and Sewer Fund	373,000	385,674
Parking Fund	13,280	11,650
Vehicle Maintenance Fund	127,204	115,293
Library	473,815	522,056
Contributions		
Employee	339,408	359,186
Retiree	746,417	619,494
Flexcomp	3,261	5,144
Miscellaneous - other reimbursements	4,000	10,509
Total operating revenues	5,924,043	6,032,687
OPERATING EXPENSES		
Administration	372,940	281,850
Insurance and claims	5,962,618	5,983,164
Total operating expenses	6,335,558	6,265,014
OPERATING INCOME (LOSS)	(411,515)	(232,327)
NONOPERATING REVENUES (EXPENSES)		
Investment income	110,000	72,417
CHANGE IN NET ASSETS	\$ (301,515)	(159,910)
NET ASSETS, JANUARY 1		2,567,223
NET ASSETS, DECEMBER 31		\$ 2,407,313

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
RISK MANAGEMENT FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADMINISTRATION		
Casualty and property program		
Claims administration	\$ 44,000	\$ 25,509
Other contractual services	72,500	-
	<hr/>	<hr/>
Total casualty and property program	116,500	25,509
	<hr/>	<hr/>
Medical program		
Claims administration	256,440	256,341
	<hr/>	<hr/>
Total administration	372,940	281,850
	<hr/>	<hr/>
INSURANCE AND CLAIMS		
Casualty and property program		
Property insurance	99,000	85,367
HELP excess liability insurance	76,500	71,774
Workers' compensation insurance	45,000	47,125
Faithful performance insurance	2,500	2,423
Surety bonds	2,000	1,950
Property claims	5,000	-
Liability claims	200,000	230,679
Workers' compensation claims	710,000	823,309
Auto claims	5,000	22,024
Village property claims	10,000	21,751
Unemployment compensation claims	10,000	12,336
Tree hazard study	11,242	8,821
Other claims	1,200	1,039
	<hr/>	<hr/>
Total casualty and property program	1,177,442	1,328,598
	<hr/>	<hr/>
Medical program		
Medical expense - HMO plan	1,330,000	1,318,238
Medical expense - indemnity plan	3,424,000	3,263,349
Refund of premium	-	38,001
Other medical claims	3,000	3,341
Life insurance	26,826	31,637
Disability insurance	1,350	-
	<hr/>	<hr/>
Total medical program	4,785,176	4,654,566
	<hr/>	<hr/>
Total insurance and claims	5,962,618	5,983,164
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 6,335,558	\$ 6,265,014

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS - BUDGET AND ACTUAL
 VEHICLE REPLACEMENT FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund		
Television services division	\$ 400	\$ 400
Mayor and board charges	1,700	1,700
Manager's office charges	3,300	3,300
Community development - administration	1,500	1,500
Community development - code enforcement	5,400	5,400
Community development - housing	7,500	7,500
Community development - health	1,500	1,500
Police department	218,800	218,800
Fire department	197,400	197,400
Public works department	202,200	202,200
Engineering division	12,000	12,000
Water and Sewer Fund	193,100	193,100
Parking System Fund	7,900	7,900
Other fees	-	33,565
	852,700	886,265
OPERATING EXPENSES		
Administration		
Capital outlay	1,557,900	936,657
Less nonoperating expenses		
Fixed assets capitalized	-	(936,657)
	1,557,900	-
Depreciation	-	948,922
	1,557,900	948,922
OPERATING INCOME (LOSS)	(705,200)	(62,657)
NONOPERATING REVENUES (EXPENSES)		
Investment income	300,000	172,287
Gain on sale of capital assets	60,000	22,653
	360,000	194,940
NET INCOME (LOSS) BEFORE TRANSFERS	(345,200)	132,283
TRANSFER IN	-	23,820
CHANGE IN NET ASSETS	\$ (345,200)	156,103
NET ASSETS, JANUARY 1		10,613,894
NET ASSETS, DECEMBER 31		\$ 10,769,997

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund		
Mayor and board	\$ 2,778	\$ 2,778
Manager's office charges	2,778	2,778
Television services division	2,778	2,778
Community development - administration	2,778	2,778
Community development - code enforcement	11,573	11,573
Community development - housing	19,289	19,289
Community development - health	2,778	2,778
Human services department	2,778	2,778
Police department	465,253	465,253
Public works department	544,724	544,724
Engineering division	27,005	27,005
Water and Sewer Fund	450,284	450,284
Parking System Revenue Fund	8,332	8,332
Miscellaneous income	-	244
	<u>1,543,128</u>	<u>1,543,372</u>
OPERATING EXPENSES		
Administration and maintenance	1,723,932	1,659,201
Depreciation	-	10,110
	<u>1,723,932</u>	<u>1,669,311</u>
OPERATING INCOME (LOSS)	(180,804)	(125,939)
NONOPERATING REVENUES		
Investment income	25,000	11,010
	<u>25,000</u>	<u>11,010</u>
CHANGE IN NET ASSETS	<u>\$ (155,804)</u>	(114,929)
NET ASSETS, JANUARY 1		<u>768,575</u>
NET ASSETS, DECEMBER 31		<u>\$ 653,646</u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE		
Vehicle division administration		
Personal services	\$ 148,489	\$ 123,659
Employee benefits	62,607	52,212
Other employee costs	2,315	2,301
Contractual services	9,095	9,091
Utilities	1,090	895
Commodities and supplies	1,572	1,359
Capital expenditures	545	-
Total vehicle division administration	<u>225,713</u>	<u>189,517</u>
Vehicle maintenance program		
Personal services	605,468	632,173
Employee benefits	186,281	177,455
Contractual services	87,505	84,792
Commodities and supplies	610,465	573,150
Capital expenditures	8,500	2,114
Total vehicle maintenance program	<u>1,498,219</u>	<u>1,469,684</u>
Total administration and maintenance	1,723,932	1,659,201
Depreciation	-	10,110
TOTAL OPERATING EXPENSES	<u><u>\$ 1,723,932</u></u>	<u><u>\$ 1,669,311</u></u>

(See independent auditor's report.)

FIDUCIARY FUNDS

Pension Trust Funds

Police Pension Fund - 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 - to account for the resources necessary to provide retirement and disability benefits to personnel of the Mount Prospect Fire 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 - 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 - to account for employee payroll deductions pursuant to a Section 125 flexible compensation plan. The money is reimbursed to employees for qualified medical and dependent care expenses.

Special Service Areas Fund - to account for the accumulation of resources for debt service payments for Special Service Area No. 6.

Library Bonds Escrow Fund - to account for the accumulation of resources for the 2002 Library bond issue payments.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS

December 31, 2008

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and investments			
Cash and short-term investments	\$ 3,399,290	\$ 2,270,146	\$ 5,669,436
Investments			
U.S. Government and agency obligations	19,384,561	21,094,429	40,478,990
Mutual funds - equity	11,920,312	11,733,584	23,653,896
Municipal bonds	1,375,543	1,385,542	2,761,085
Total cash and investments	36,079,706	36,483,701	72,563,407
Accrued interest receivable	188,547	200,730	389,277
Due from other funds	8,716	4,066	12,782
Prepays	307	984	1,291
Total assets	36,277,276	36,689,481	72,966,757
LIABILITIES			
Accounts payable	14,333	7,625	21,958
Total liabilities	14,333	7,625	21,958
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 36,262,943	\$ 36,681,856	\$ 72,944,799

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS

For the Year Ended December 31, 2008

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer	\$ 1,420,452	\$ 1,417,935	\$ 2,838,387
Participants	738,466	588,785	1,327,251
Total contributions	2,158,918	2,006,720	4,165,638
Investment income			
Net (depreciation) in fair value of investments	(7,046,743)	(6,790,663)	(13,837,406)
Interest earned	1,097,963	1,231,523	2,329,486
Less investment expenses	(81,167)	(88,228)	(169,395)
Net investment income	(6,029,947)	(5,647,368)	(11,677,315)
Total additions	(3,871,029)	(3,640,648)	(7,511,677)
DEDUCTIONS			
Contractual services	45,922	22,128	68,050
Pension benefits and refunds	2,783,291	2,685,549	5,468,840
Total deductions	2,829,213	2,707,677	5,536,890
NET (DECREASE)	(6,700,242)	(6,348,325)	(13,048,567)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	42,963,185	43,030,181	85,993,366
December 31	\$ 36,262,943	\$ 36,681,856	\$ 72,944,799

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF CHANGES IN NET ASSETS - BUDGET AND ACTUAL
POLICE PENSION FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 1,485,500	\$ 1,420,452
Participants	657,000	738,466
Total contributions	<u>2,142,500</u>	<u>2,158,918</u>
Investment income		
Net (depreciation) in fair value of investments	(4,295,000)	(7,046,743)
Interest earned	1,181,000	1,097,963
Less investment expenses	<u>(75,000)</u>	<u>(81,167)</u>
Net investment income	<u>(3,189,000)</u>	<u>(6,029,947)</u>
Total additions	<u>(1,046,500)</u>	<u>(3,871,029)</u>
DEDUCTIONS		
Contractual services	48,800	45,922
Commodities and supplies	250	-
Pension benefits and refunds	<u>2,779,000</u>	<u>2,783,291</u>
Total deductions	<u>2,828,050</u>	<u>2,829,213</u>
NET (DECREASE)	<u><u>\$ (3,874,550)</u></u>	(6,700,242)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
January 1		<u>42,963,185</u>
December 31		<u><u>\$ 36,262,943</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2008

	Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 1,485,300	\$ 1,417,935
Participants	560,000	588,785
Total contributions	<u>2,045,300</u>	<u>2,006,720</u>
Investment income		
Net (depreciation) in fair value of investments	(4,490,000)	(6,790,663)
Interest earned	1,191,000	1,231,523
Less investment expenses	(83,000)	(88,228)
Net investment income	<u>(3,382,000)</u>	<u>(5,647,368)</u>
Total additions	<u>(1,336,700)</u>	<u>(3,640,648)</u>
DEDUCTIONS		
Contractual services	48,500	22,128
Commodities and supplies	250	-
Pension benefits and refunds	2,672,750	2,685,549
Total deductions	<u>2,721,500</u>	<u>2,707,677</u>
NET (DECREASE)	<u><u>\$ (4,058,200)</u></u>	<u>(6,348,325)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
January 1		<u>43,030,181</u>
December 31		<u><u>\$ 36,681,856</u></u>

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended December 31, 2008

	Balances January 1	Additions	Deductions	Balances December 31
All Funds				
ASSETS				
Cash and investments	\$ 2,033,936	\$ 54,918	\$ 271,913	\$ 1,816,941
TOTAL ASSETS	\$ 2,033,936	\$ 54,918	\$ 271,913	\$ 1,816,941
LIABILITIES				
Deposits payable	\$ 1,969,550	\$ 47,185	\$ 255,960	\$ 1,760,775
Due to other funds	40,045	7,733	-	47,778
Other liabilities	3,951	-	-	3,951
Due to bondholders	17,625	-	14,076	3,549
Due to library	2,765	-	1,877	888
TOTAL LIABILITIES	\$ 2,033,936	\$ 54,918	\$ 271,913	\$ 1,816,941
Escrow Deposit Fund				
ASSETS				
Cash and investments	\$ 1,929,771	\$ 47,242	\$ 243,078	\$ 1,733,935
TOTAL ASSETS	\$ 1,929,771	\$ 47,242	\$ 243,078	\$ 1,733,935
LIABILITIES				
Deposits payable	\$ 1,925,820	\$ 47,185	\$ 243,078	\$ 1,729,927
Due to general fund	-	57	-	57
Other liabilities	3,951	-	-	3,951
TOTAL LIABILITIES	\$ 1,929,771	\$ 47,242	\$ 243,078	\$ 1,733,935

(This statement is continued on the following page.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended December 31, 2008

	Balances				Balances	
	January 1	Additions	Deductions		December 31	
Flexcomp Escrow Fund						
ASSETS						
Cash and investments	\$ 83,775	\$ 7,676	\$ 12,882		\$ 78,569	
TOTAL ASSETS	\$ 83,775	\$ 7,676	\$ 12,882		\$ 78,569	
LIABILITIES						
Deposits payable	\$ 43,730	\$ -	\$ 12,882		\$ 30,848	
Due to other funds	40,045	7,676	-		47,721	
TOTAL LIABILITIES	\$ 83,775	\$ 7,676	\$ 12,882		\$ 78,569	
Special Services Areas Fund						
ASSETS						
Cash and investments	\$ 17,625	\$ -	\$ 14,076		\$ 3,549	
TOTAL ASSETS	\$ 17,625	\$ -	\$ 14,076		\$ 3,549	
LIABILITIES						
Due to bondholders	\$ 17,625	\$ -	\$ 14,076		\$ 3,549	
TOTAL LIABILITIES	\$ 17,625	\$ -	\$ 14,076		\$ 3,549	
Library Bonds Escrow Fund						
ASSETS						
Cash and investments	\$ 2,765	\$ -	\$ 1,877		\$ 888	
TOTAL ASSETS	\$ 2,765	\$ -	\$ 1,877		\$ 888	
LIABILITIES						
Due to library	\$ 2,765	\$ -	\$ 1,877		\$ 888	
TOTAL LIABILITIES	\$ 2,765	\$ -	\$ 1,877		\$ 888	

See accompanying notes to financial statements.

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

To account for the noncurrent portion of the Village's General Obligation Bond Issues, EPA flood loans, installment contracts, pension contributions, compensated absences, and other postemployment benefits obligations.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF GENERAL LONG-TERM DEBT
LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

December 31, 2008

	General Obligation Bonds, Series 2001	General Obligation Bonds, Series 2003	IEPA Flood Loans	Net Pension Obligation	Net Other Postemployment Benefit Obligation	Compensated Absences	Totals
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT							
Amount to be provided for retirement of general long-term debt	\$ 3,705,000	\$ 9,400,000	\$ 3,805,678	\$ 466,832	\$ 365,900	\$ 2,827,516	\$ 20,570,926
TOTAL	\$ 3,705,000	\$ 9,400,000	\$ 3,805,678	\$ 466,832	\$ 365,900	\$ 2,827,516	\$ 20,570,926
GENERAL LONG-TERM DEBT PAYABLE							
General obligation bonds payable	\$ 3,705,000	\$ 9,400,000	\$ -	\$ -	\$ -	\$ -	\$ 13,105,000
IEPA flood loans	-	-	3,805,678	-	-	-	3,805,678
Installment contract payable	-	-	-	-	-	-	-
Compensated absences payable	-	-	-	-	-	2,827,516	2,827,516
Net other postemployment benefit obligation	-	-	-	-	365,900	-	365,900
Net pension obligation	-	-	-	466,832	-	-	466,832
TOTAL	\$ 3,705,000	\$ 9,400,000	\$ 3,805,678	\$ 466,832	\$ 365,900	\$ 2,827,516	\$ 20,570,926

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2008

Type of Coverage	Self-Insured Retention	Specific Excess Limit	Aggregate Excess Limit	Insurance Carrier	Expiration Date of Policy
Property, Building, and Contents Auto Physical Damage, Boiler	\$ 25,000	\$ 64,729,190	None	Federal Insurance Co./Chubb	01/01/09
Workers' Compensation	500,000	Statutory	\$ 1,000,000	Safety National Insurance Co.	01/01/09
General Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/09
Auto Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/09
Employment Practices Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/09
Police Professional Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/09
Public Officials' Liability (Errors and Omissions)	2,000,000	None	None	Illinois National Insurance Co.	01/01/09
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	08/01/09
Fiduciary Liability - Firefighters' Pension	25,000	5,000,000	5,000,000	Federal Insurance Co./Chubb	08/01/09
Excess Liability	2,000,000	12,000,000	12,000,000	High-Level Excess Liability Pool	04/30/09
Public Employee Dishonesty	5,000	500,000	None	ITT Hartford	05/01/09
Depositors Forgery	1,000	100,000	None	ITT Hartford	05/01/09
Public Officials Bond - President	-	100,000	100,000	ITT Hartford	05/01/09
Public Officials Bond - Manager	-	100,000	100,000	ITT Hartford	05/01/09
Public Officials Bond - Village Treasurer	-	250,000	250,000	ITT Hartford	05/01/09
Public Officials Bond - Foreign Fire Insurance Tax Treasurer	-	135,000	135,000	Fidelity & Deposit Co.	01/01/09
Contingent Tax Interruption	25,000	9,000,000	9,000,000	Chubb	01/01/09
Employee and Retiree Health Insurance	20,000/75,000	None	None	Intergovernmental Personal Benefit Cooperative	06/30/09
Third-Party Administrators					
Workers' Compensation Claims Administration	N/A	N/A	N/A	CCMSI	01/01/09
Liability Claims Administration	N/A	N/A	N/A	GAB Robins	01/01/09

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Mount Prospect, Illinois' 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.

<u>Contents</u>	<u>Page</u>
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.	134-139
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	140-147
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.	148-151
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.	152-153
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.	154-156

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village of Mount Prospect, Illinois implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NET ASSETS BY COMPONENT

Last Five Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES					
Invested in capital assets, net of related debt	\$ 25,864,656	\$ 23,851,038	\$ 24,671,547	\$ 26,114,472	\$ 29,663,909
Restricted	4,644,869	4,828,517	4,197,018	3,178,963	2,367,670
Unrestricted	5,629,961	13,689,604	18,553,994	23,151,760	21,216,625
TOTAL GOVERNMENTAL ACTIVITIES	\$ 36,139,486	\$ 42,369,159	\$ 47,422,559	\$ 52,445,195	\$ 53,248,204
BUSINESS-TYPE ACTIVITIES					
Invested in capital assets, net of related debt	\$ 17,471,099	\$ 17,846,548	\$ 18,321,345	\$ 19,437,672	\$ 20,776,324
Restricted	-	-	-	-	-
Unrestricted	6,261,987	5,808,766	6,172,718	6,833,310	6,852,644
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 23,733,086	\$ 23,655,314	\$ 24,494,063	\$ 26,270,982	\$ 27,628,968
PRIMARY GOVERNMENT					
Invested in capital assets, net of related debt	\$ 43,335,755	\$ 41,697,586	\$ 42,992,892	\$ 45,552,144	\$ 50,440,233
Restricted	4,644,869	4,828,517	4,197,018	3,178,963	2,367,670
Unrestricted	11,891,948	19,498,370	24,726,712	29,985,070	28,069,269
TOTAL PRIMARY GOVERNMENT	\$ 59,872,572	\$ 66,024,473	\$ 71,916,622	\$ 78,716,177	\$ 80,877,172

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET ASSETS

Last Five Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008
EXPENSES					
Governmental Activities					
General government	\$ 7,081,460	\$ 3,090,918	\$ 5,110,605	\$ 5,777,024	\$ 6,682,541
Public safety	21,314,705	21,660,877	23,336,436	24,565,640	26,646,855
Highways and streets	11,357,935	9,364,421	10,888,397	11,512,271	13,540,232
Health	3,545,694	3,642,891	3,863,140	4,085,316	4,163,354
Welfare	1,518,387	1,465,197	1,344,516	1,759,776	1,744,504
Culture and recreation	287,955	237,024	272,826	221,806	409,066
Interest	1,409,929	1,350,049	1,360,081	728,640	837,127
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>
Business-Type Activities					
Water and sewer	8,398,983	8,954,899	9,200,271	8,839,710	9,179,399
Commuter parking	292,580	369,825	409,041	259,434	263,394
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>
TOTAL PRIMARY GOVERNMENTAL 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>
PROGRAM REVENUES					
Governmental Activities					
Charges for services					
General government	\$ 3,626,755	\$ 3,626,936	\$ 4,750,937	\$ 5,057,855	\$ 5,045,338
Public safety	1,864,447	2,029,632	2,096,875	2,658,824	2,242,952
Highway and streets	158,101	135,151	176,019	231,468	169,615
Other activities	261,470	280,083	288,914	305,467	320,488
Operating grants and contributions	2,472,301	556,072	513,703	594,223	1,800,781
Capital grants and contributions	66,138	1,894,095	2,106,688	2,812,836	764,283
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>
Business-Type Activities					
Charges for services					
Water and sewer	6,404,006	7,400,759	8,506,767	8,888,249	8,774,681
Commuter parking	161,617	205,215	207,085	210,036	269,400
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>
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>
NET (EXPENSE) REVENUE					
Governmental activities	\$ (38,066,853)	\$ (32,289,408)	\$ (36,242,865)	\$ (36,989,800)	\$ (43,680,222)
Business-type activities	(2,125,940)	(1,718,750)	(895,460)	(859)	(398,712)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (40,192,793)</u>	<u>\$ (34,008,158)</u>	<u>\$ (37,138,325)</u>	<u>\$ (36,990,659)</u>	<u>\$ (44,078,934)</u>

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Five Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS					
Governmental Activities					
Taxes					
Property	\$ 12,785,975	\$ 13,775,669	\$ 15,183,214	\$ 15,817,195	\$ 15,942,106
Sales	11,502,755	11,871,553	12,720,614	12,773,695	14,862,634
Telecommunications	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
Investment earnings	207,562	433,605	908,782	924,989	416,673
Miscellaneous	153,629	126,411	101,242	42,868	93,781
Transfers	-	-	10,433	-	-
Contributions	-	-	-	-	51,120
Total governmental activities	35,269,551	38,519,081	40,933,202	42,012,436	44,483,231
Business-Type Activities					
Property tax	1,495,756	1,533,910	1,527,407	1,504,501	1,505,394
Sales tax	-	-	-	-	92,154
Investment earnings	61,017	107,068	217,235	262,430	159,150
Miscellaneous	(2,913)	-	-	-	-
Transfers	-	-	(10,433)	-	-
Total business-type activities	1,553,860	1,640,978	1,734,209	1,766,931	1,756,698
TOTAL PRIMARY GOVERNMENT	\$ 36,823,411	\$ 40,160,059	\$ 42,667,411	\$ 43,779,367	\$ 46,239,929
CHANGE IN NET ASSETS					
Governmental activities	\$ (2,797,302)	\$ 6,229,673	\$ 4,690,337	\$ 5,022,636	\$ 803,009
Business-type activities	(572,080)	(77,772)	838,749	1,766,072	1,357,986
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (3,369,382)	\$ 6,151,901	\$ 5,529,086	\$ 6,788,708	\$ 2,160,995

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND										
Reserved	\$ 18,556	\$ 158,476	\$ 30,995	\$ 174,853	\$ 146,009	\$ 219,694	\$ 312,499	\$ 73,529	\$ 40,910	\$ 228,750
Unreserved	6,064,534	8,618,728	9,417,702	9,275,071	8,779,145	8,037,820	10,203,878	11,733,539	12,774,003	12,312,075
TOTAL GENERAL FUND	\$ 6,083,090	\$ 8,777,204	\$ 9,448,697	\$ 9,449,924	\$ 8,925,154	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 12,814,913	\$ 12,540,825
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 4,106,585	\$ 3,265,576	\$ 2,480,890	\$ 1,778,005	\$ 13,585,940	\$ 4,727,748	\$ 4,958,811	\$ 4,333,108	\$ 3,329,107	\$ 2,523,221
Unreserved, reported in										
Special Revenue Funds	1,708,608	3,572,603	4,107,024	3,920,313	1,968,264	1,744,656	1,556,490	1,844,687	2,028,077	2,043,378
Debt Service Funds	-	-	-	-	-	-	-	-	-	(908,466)
Capital Project Funds	7,116,755	9,570,399	14,434,134	10,742,329	-	(1,357,855)	161,614	1,447,070	2,315,134	303,492
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 12,931,948	\$ 16,408,578	\$ 21,022,048	\$ 16,440,647	\$ 15,554,204	\$ 5,114,549	\$ 6,676,915	\$ 7,624,865	\$ 7,672,318	\$ 3,961,625

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES										
Property taxes - levy	\$ 9,500,417	\$ 9,521,468	\$ 9,788,282	\$ 10,366,222	\$ 10,636,339	\$ 11,177,088	\$ 11,839,088	\$ 13,010,985	\$ 13,121,932	\$ 13,638,581
Property taxes - other	895,079	860,757	863,047	975,108	1,254,706	1,608,887	1,936,581	2,172,230	2,695,263	2,303,525
Other taxes	7,494,462	7,808,041	7,785,853	7,151,766	7,802,081	9,936,331	11,122,105	10,646,018	10,643,295	11,344,950
Licenses, permits and fees	3,104,978	2,976,022	2,961,303	3,113,545	3,273,201	3,024,016	3,135,996	3,216,982	3,445,370	3,094,828
Intergovernmental	14,105,768	15,562,921	15,440,052	16,061,890	14,210,114	14,616,333	15,459,395	16,664,264	17,783,855	19,104,781
Charges for services	1,333,664	1,491,135	1,646,775	1,671,156	1,724,014	1,748,460	1,710,556	3,226,074	3,780,453	3,618,419
Fines and forfeits	561,647	436,806	468,941	521,289	595,170	554,741	581,439	521,473	720,673	720,351
Investment income	994,424	1,537,810	1,348,970	715,905	385,214	207,562	433,605	908,782	924,989	416,673
Miscellaneous	750,654	1,740,634	1,033,510	854,805	1,094,763	758,805	822,285	489,097	557,279	533,460
Total revenues	38,741,093	41,935,594	41,336,733	41,431,686	40,975,602	43,632,223	47,041,050	50,855,905	53,673,109	54,775,568
EXPENDITURES										
General government	2,964,684	3,178,754	3,609,767	3,571,104	3,922,921	4,346,454	4,463,740	4,901,739	5,298,202	5,725,191
Public safety	15,694,492	16,319,661	17,790,679	18,251,730	19,129,091	20,940,441	21,677,185	23,205,517	24,767,992	25,906,274
Highways and streets	6,411,268	6,047,404	6,229,562	6,941,764	6,762,888	7,459,168	7,265,128	7,555,575	9,204,868	9,168,071
Health	3,121,573	3,158,977	3,276,611	3,300,533	3,244,907	3,545,174	3,650,121	3,873,480	4,102,547	4,156,319
Welfare	1,179,319	1,088,194	1,545,934	1,713,306	1,368,295	1,516,610	1,482,943	1,366,367	1,786,121	1,736,791
Culture and recreation	199,208	263,487	285,114	278,423	275,184	274,491	284,229	333,148	281,737	381,892
Miscellaneous	135,537	384,387	15,520	15,626	-	-	-	-	-	-
Capital outlay	10,339,835	5,117,914	5,833,705	6,527,505	15,366,338	11,481,777	2,040,534	3,470,144	2,437,381	6,623,970
Debt service										
Principal retirement	2,774,295	3,774,322	3,070,663	4,050,925	4,269,326	4,468,949	3,205,838	2,605,399	3,529,734	4,149,735
Interest and fiscal charges	1,132,868	1,313,925	1,250,270	1,361,565	1,520,741	1,456,454	1,318,154	1,264,364	1,044,123	891,181
Total expenditures	43,953,079	40,647,025	42,907,825	46,012,481	55,859,691	55,489,518	45,387,872	48,575,733	52,452,705	58,739,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,211,986)	1,288,569	(1,571,092)	(4,580,795)	(14,884,089)	(11,857,295)	1,653,178	2,280,172	1,220,404	(3,963,856)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ 1,066,390	\$ 1,024,000	\$ 641,970	\$ 1,865,928	\$ 1,096,677	\$ 794,938	\$ 989,519	\$ 1,344,953	\$ 105	\$ 809,422
Transfers (out)	(1,926,390)	(1,024,000)	(571,970)	(1,865,928)	(1,096,677)	(794,938)	(989,519)	(1,386,484)	(165,211)	(833,242)
Bonds issued	-	-	-	-	12,235,000	-	-	-	-	-
Bond/note proceeds	7,315,767	2,377,472	5,000,000	6,197,421	-	-	-	-	-	-
Payment of bond principal	-	-	-	(6,196,800)	-	-	-	-	-	-
Installment contract issued	-	-	-	-	-	705,000	-	-	-	-
Sale of capital assets	1,326,000	1,135,360	748,355	-	1,225,000	45,000	2,168,051	-	-	2,895
Total other financing sources (uses)	7,781,767	3,512,832	5,818,355	621	13,460,000	750,000	2,168,051	(41,531)	(165,106)	(20,925)
NET CHANGE IN FUND BALANCES	\$ 2,569,781	\$ 4,801,401	\$ 4,247,263	\$ (4,580,174)	\$ (1,424,089)	\$ (11,107,295)	\$ 3,821,229	\$ 2,238,641	\$ 1,055,298	\$ (3,984,781)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.62%	14.32%	11.65%	13.71%	12.82%	12.02%	10.08%	8.07%	8.78%	9.00%

(1) Classifications of 1999-2007 revenues were restated to be consistent with 2008 presentation.

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	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
1998	\$ 603,885,788	\$ 315,344,037	\$ 138,601,719	\$ 192,146	\$ 1,058,023,690	0.895	\$ 3,174,071,070	33.333%
1999	628,051,737	321,823,488	143,549,287	192,324	1,093,616,836	0.897	3,280,850,508	33.333%
2000	620,188,611	321,632,685	147,076,484	206,203	1,089,103,983	0.932	3,267,311,949	33.333%
2001	764,455,298	336,912,152	153,774,011	219,095	1,255,360,556	0.837	3,766,081,668	33.333%
2002	827,681,951	361,790,089	165,579,129	249,939	1,355,301,108	0.813	4,065,903,324	33.333%
2003	823,558,021	339,716,638	158,341,177	271,107	1,321,886,943	0.874	3,965,660,829	33.333%
2004	940,125,430	374,813,387	175,903,709	334,619	1,491,177,145	0.801	4,473,531,435	33.333%
2005	1,016,362,276	381,718,354	196,556,462	338,630	1,594,975,722	0.827	4,784,927,166	33.333%
2006	1,048,895,640	357,812,772	190,150,899	450,150	1,597,309,461	0.846	4,791,928,383	33.333%
2007	1,227,488,556	412,588,412	229,739,726	508,622	1,870,325,316	0.750	5,610,975,948	33.333%

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

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
VILLAGE DIRECT RATES										
Corporate	0.493	0.505	0.514	0.459	0.448	0.480	0.444	0.457	0.469	0.416
Bonds and interest	0.066	0.060	0.060	0.055	0.063	0.078	0.070	0.091	0.083	0.071
Garbage	0.230	0.222	0.224	0.198	0.169	0.173	0.154	0.122	0.126	0.110
Police Pension	0.059	0.056	0.065	0.059	0.065	0.070	0.065	0.081	0.085	0.077
Firefighters' Pension	0.048	0.054	0.068	0.065	0.068	0.073	0.068	0.075	0.083	0.076
TOTAL DIRECT RATES	0.896	0.897	0.932	0.837	0.813	0.874	0.801	0.827	0.846	0.750
OVERLAPPING RATES										
Mount Prospect Library	0.386	0.373	0.377	0.352	0.435	0.487	0.475	0.466	0.482	0.439
County of Cook	0.911	0.854	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446
Consolidated Elections	0.000	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000	0.012
Forest Preserve District	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053
Metropolitan Water Reclamation District	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263
Suburban TB Sanitarium	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	-
Township of Elk Grove	0.062	0.060	0.061	0.053	0.050	0.051	0.046	0.044	0.044	0.040
Township of Maine	0.085	0.084	0.089	0.079	0.076	0.079	0.071	0.070	0.073	0.065
Township of Wheeling	0.076	0.073	0.053	0.049	0.040	0.047	0.042	0.041	0.043	0.038
General Assistance Elk Grove	0.013	0.013	0.013	0.011	0.011	0.011	0.007	0.009	0.009	0.008
General Assistance Maine	0.015	0.015	0.016	0.015	0.015	0.016	0.015	0.015	0.016	0.015
General Assistance Wheeling	0.013	-	-	-	0.008	0.010	0.009	0.009	0.010	0.009
Road and Bridge Elk Grove	0.011	0.010	0.011	0.009	0.009	0.010	0.009	0.009	0.009	0.009
Road and Bridge Maine	0.042	0.042	0.044	0.039	0.038	0.040	0.036	0.036	0.038	0.034
Road and Bridge Wheeling	0.012	0.012	0.013	0.012	0.012	0.013	0.012	0.012	0.013	0.012
Northwest Mosquito Abatement	0.010	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009	0.008
Arlington Heights High School #214	2.204	2.183	2.257	1.989	1.888	1.982	1.818	1.759	1.823	1.621
Community College District #512	0.277	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288	0.260
Arlington Heights Park District	0.558	0.562	0.584	0.484	0.458	0.516	0.466	0.453	0.461	0.404
Village of Mount Prospect										
Special Service Area #6	0.637	0.588	0.594	0.441	0.384	0.418	0.298	-	-	-
Special Service Area #5	0.173	0.167	0.168	0.148	0.137	0.141	0.125	0.117	0.118	0.101
School District #59	2.029	2.021	2.116	1.943	1.855	2.127	1.972	1.933	2.013	1.791

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)

Last Ten Levy Years

Tax levy Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
OVERLAPPING RATES (Continued)										
Mount Prospect Park District	0.568	0.557	0.571	0.502	0.473	0.498	0.455	0.459	0.474	0.411
School District #57	3.522	3.475	3.598	3.050	2.878	3.019	2.740	2.643	2.694	2.334
School District #25 Arlington Heights	4.174	4.111	4.306	3.730	3.527	3.653	3.156	3.225	3.295	2.890
River Trails Park District	0.551	0.552	0.554	0.524	0.485	0.517	0.484	0.480	0.484	0.428
School District #26	3.498	3.385	3.441	3.212	3.192	3.313	2.948	2.880	3.047	2.698
Prospect Heights Park District	0.796	0.792	0.810	0.692	0.656	0.730	0.662	0.640	0.658	0.561
School District #23	3.719	3.714	3.878	3.345	3.183	3.344	2.987	2.880	2.948	2.418
School District #21	3.109	3.075	3.201	2.886	3.266	3.575	3.262	3.394	3.502	3.154
Des Plaines Park District	0.449	0.447	0.462	0.408	0.422	0.444	0.427	0.350	0.356	0.312
Prospect Heights Old Town Sanitary	0.090	0.089	0.094	0.082	0.079	0.082	0.073	0.071	0.074	0.039
High School #207	2.234	2.198	2.298	2.026	1.936	2.012	1.795	1.757	1.826	1.602
Community College #535	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158	0.166	0.141
School District #62	2.378	2.348	2.455	2.225	2.148	2.228	2.475	2.501	2.627	2.350
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP, AND SCHOOL DISTRICT #59										
	8.065	7.935	8.180	7.383	7.103	7.584	6.997	6.840	6.961	6.212
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	11.1%	11.3%	11.4%	11.3%	11.4%	11.5%	11.4%	12.1%	12.2%	12.1%
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP, AND SCHOOL DISTRICT #26										
	9.530	9.271	9.469	8.662	8.442	8.768	7.974	7.787	7.999	7.121
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	9.4%	9.7%	9.8%	9.7%	9.6%	10.0%	10.0%	10.6%	10.6%	10.5%

* Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

2007					1998				
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Randhurst	Randhurst Shopping Center	\$ 38,681,906	1	2.07%	Rouse Company	Randhurst Shopping Center	\$ 73,461,991	1	6.72%
CRP Holdings	Real Estate	29,404,769	2	1.57%	Insignia ESG	Property Management	22,901,083	2	2.09%
Home Properties Colony	Colony Square Apartments	22,430,491	3	1.20%	Home Properties Colony	Colony Square Apartments	20,009,036	3	1.83%
Mount Prospect Plaza	Shopping Center	21,982,090	4	1.18%	James Campbell Estate	Commercial Development	13,558,112	4	1.24%
Golf Plaza	Shopping Center	17,448,188	5	0.93%	Washington Capital	Mt. Shire Apartments	11,882,615	5	1.09%
Costco Property Tax	Commercial Sales Store	11,644,590	6	0.62%	Stomad Ctrs. Mt. Prospect	Shopping Center	11,545,020	6	1.06%
Huntington Square	Apartments	11,509,007	7	0.62%	Cabot Ind. Properties	Property Management	9,495,554	7	0.87%
PFG 800 Biermann LP	Pharmaceutical	11,255,616	8	0.60%	Bayshore Management Co	Forest Cove Apartments	7,565,245	8	0.69%
Cummins Allison Corp	Manufacturing	11,114,044	9	0.59%	3Com Prop. Admin.	Industrial	7,129,584	9	0.65%
First Industrial LP	Property Management	11,005,324	10	0.59%	Shell Oil Company	Storage Facilities	6,850,225	10	0.63%
		<u>\$ 186,476,025</u>		<u>9.97%</u>			<u>\$ 184,398,465</u>		<u>16.86%</u>
Total 2007 Equalized Assessed Valuation		<u>\$ 1,870,325,316</u>		<u>100.00%</u>	Total 1997 Equalized Assessed Valuation		<u>\$ 1,093,616,836</u>		<u>100.00%</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 valuations were overlooked.

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 9,472,169	\$ 9,389,480	99.13%	\$ 38,675	\$ 9,428,155	99.54%
1999	9,803,695	9,420,487	96.09%	360,216	9,780,703	99.77%
2000	10,146,824	9,697,911	95.58%	407,932	10,105,843	99.60%
2001	10,501,972	10,174,385	96.88%	141,698	10,316,083	98.23%
2002	11,010,747	10,619,494	96.45%	223,456	10,842,950	98.48%
2003	11,539,756	11,107,262	96.25%	334,369	11,441,631	99.15%
2004	11,939,893	11,534,824	96.61%	144,997	11,679,821	97.82%
2005	13,175,689	12,222,889	92.77%	740,018	12,962,907	98.39%
2006	13,506,574	12,369,490	91.58%	1,018,347	13,387,837	99.12%
2007	14,014,838	13,648,416	97.39%	-	-	-
2008 *	14,462,157					

*Will be collected in 2009 in accordance with Illinois law. Estimated levy based on Tax Levy Ordinance. Actual extension not available at time of printing.

Data Source

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General merchandise	\$ 1,558,487	\$ 1,092,647	\$ 1,224,181	\$ 1,173,295	\$ 1,310,317	\$ 1,181,411	\$ 1,163,392	\$ 1,191,814	\$ 1,207,238	\$ 1,099,957
Food	913,390	928,488	906,374	896,492	918,773	849,929	901,597	883,285	1,042,920	1,069,087
Drinking and eating places	464,537	891,594	521,263	474,667	486,766	498,789	547,681	566,627	583,799	564,572
Apparel	243,720	238,597	210,051	173,459	169,613	156,900	124,285	157,184	149,857	68,774
Furniture and H.H. and radio	391,815	337,049	350,994	296,467	286,666	283,729	230,378	280,088	274,809	243,339
Lumber, building hardware	642,914	813,233	822,656	871,786	869,336	916,388	907,954	869,944	801,315	704,972
Automobile and filling stations	591,229	687,736	724,214	680,754	709,602	756,261	1,185,563	1,267,636	1,333,637	1,277,713
Drugs and miscellaneous retail	777,289	857,810	1,175,219	2,013,478	2,315,308	2,565,793	2,210,598	2,682,731	2,454,600	3,608,855
Agriculture and all others	1,249,889	1,606,944	1,524,595	1,046,332	637,681	653,924	714,534	819,090	853,036	1,245,594
Manufacturers	425,015	482,575	269,537	121,415	127,213	101,044	115,036	105,704	110,189	184,057
TOTAL	\$ 7,258,286	\$ 7,936,674	\$ 7,729,085	\$ 7,748,144	\$ 7,831,275	\$ 7,964,169	\$ 8,101,018	\$ 8,824,103	\$ 8,811,400	\$ 10,066,920
VILLAGE DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
NUMBER OF TAXPAYERS	1,249	1,237	1,197	1,169	1,147	1,105	1,125	1,168	1,149	900

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

HOME RULE SALES TAXES BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General merchandise	\$ 718,302	\$ 489,220	\$ 561,994	\$ 533,611	\$ 595,104	\$ 789,838	\$ 778,634	\$ 793,949	\$ 811,505	\$ 967,261
Food	109,537	119,158	114,353	117,236	122,996	185,355	169,411	160,335	197,945	261,398
Drinking and eating places	226,800	442,421	255,281	234,326	240,779	368,000	405,729	420,844	434,613	558,908
Apparel	121,519	118,633	104,922	86,710	84,805	117,774	93,186	117,804	112,251	68,267
Furniture and H.H. and radio	195,302	168,381	175,306	147,975	143,226	210,821	172,592	209,655	205,312	240,192
Lumber, building hardware	321,192	405,873	410,038	434,913	433,528	683,934	678,295	649,820	598,495	701,258
Automobile and filling stations	91,779	109,191	99,497	108,449	115,982	217,502	420,491	464,579	494,408	640,842
Drugs and miscellaneous retail	256,776	251,605	242,760	242,579	232,887	373,206	407,301	387,350	381,387	413,511
Agriculture and all others	607,814	784,602	745,262	506,482	303,692	517,294	524,602	592,983	621,576	819,975
Manufacturers	209,618	239,829	133,241	59,696	61,351	71,726	83,868	76,697	80,093	180,157
TOTAL	\$ 2,858,639	\$ 3,128,912	\$ 2,842,655	\$ 2,471,977	\$ 2,334,349	\$ 3,535,450	\$ 3,734,109	\$ 3,874,017	\$ 3,937,585	\$ 4,851,769
VILLAGE HOME RULE SALES TAX RATE	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.75%
NUMBER OF TAXPAPERS	1,249	1,237	1,197	1,169	1,147	1,105	1,125	1,168	1,149	900

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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	State Rate	County Rate	Regional Transportation Authority	Village Direct Rate	Home Rule Sales Tax Rate	Total
1999	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2000	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2001	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2002	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2003	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
2004	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2005	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2006	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2007	5.00%	1.00%	0.75%	1.00%	0.75%	8.50%
2008	5.00%	1.25%	1.00%	1.00%	1.75%	10.00%

Data Source

State of Illinois

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Tax Increment Financing Bonds	IEPA Loan Payable (1)	Installment Note (2)	General Obligation Bonds				
1999	\$ 13,933,913	\$ 8,410,000	\$ 7,444,490	\$ -	\$ 604,200	\$ 30,392,603	2.81%	\$ 572	
2000	13,949,925	7,205,000	7,288,741	-	495,300	28,938,966	1.94%	514	
2001	17,194,917	6,300,000	6,899,681	-	388,200	30,782,798	2.07%	547	
2002	14,696,442	5,120,000	6,498,218	-	283,300	26,597,960	1.79%	473	
2003	23,489,146	4,750,000	6,083,951	-	180,600	34,503,697	2.32%	613	
2004	20,013,590	4,175,000	5,656,470	-	79,600	29,924,660	2.01%	532	
2005	17,974,452	3,365,000	5,215,348	705,000	-	27,259,800	1.83%	484	
2006	16,540,764	2,570,000	4,760,147	705,000	-	24,575,911	1.65%	437	
2007	14,760,000	1,655,000	4,290,413	355,000	-	21,060,413	1.41%	374	
2008	13,105,000	-	3,805,678	-	-	16,910,678	1.14%	301	

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

* See the schedule of Demographic and Economic Information on page 152 for personal income and population data.

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

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
1999	\$ 22,343,913	\$ 2,876,020	\$ 19,467,893	0.59%	\$ 366.16
2000	21,154,925	2,330,738	18,824,187	0.58%	334.56
2001	23,494,917	2,142,657	21,352,260	0.57%	379.49
2002	19,816,442	1,244,631	18,571,811	0.46%	330.08
2003	28,239,146	790,066	27,449,080	0.69%	487.85
2004	24,188,590	36,785	24,151,805	0.54%	429.25
2005	21,339,452	419,317	20,920,135	0.44%	371.81
2006	19,110,764	465,990	18,644,774	0.39%	331.37
2007	16,415,000	94,398	16,320,602	0.29%	290.07
2008	13,105,000	-	13,105,000	N/A	232.92

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

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 140 for property value data.

Data Source

Audited financial statements
Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2008

Governmental unit	(1) Gross Debt	(2) Percentage Debt Applicable to the Village of Mount Prospect	(3) Village of Mount Prospect Share of Debt
Village of Mount Prospect	\$ 30,525,000 *	100.00%	\$ 30,525,000
County of Cook	2,355,447,418	1.175%	27,676,507
Forest Preserve District of Cook County	115,105,000	1.175%	1,352,484
Metropolitan Water Reclamation District	1,735,620,090	1.200%	20,827,441
Community College District #512	43,125,000	8.495%	3,663,469
School District #214	31,670,000	17.210%	5,450,407
School District #207	13,800,000	0.065%	8,970
School District #57	8,425,000	93.561%	7,882,514
School District #25	27,980,000	2.905%	812,819
School District #26	8,850,000	78.766%	6,970,791
School District #23	4,995,000	8.033%	401,248
School District #21	44,626,907	2.574%	1,148,697
School District #59	23,180,000	13.422%	3,111,220
Arlington Heights Park District	28,659,187	1.513%	433,613
Des Plaines Park District	7,270,000	1.414%	102,798
Mount Prospect Park District	6,990,000	59.277%	4,143,462
	<u>4,455,743,602</u>		<u>83,986,440</u>
	<u>\$ 4,486,268,602</u>		<u>\$ 114,511,440</u>

* Includes \$17,420,000 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 2007 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

Office of the County Clerk

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2008

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

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

To date the General Assembly has set no limits for home rule municipalities. The government is a home rule municipality.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Equalized Assesed Value	Personal Income	(1) Per Capita Personal Income	(3) Unemployment Rate
1999	\$ 53,168	\$ 1,093,616,836	\$ 1,081,702,960	\$ 20,345	2.8%
2000	56,265	1,089,103,983	1,488,996,960	26,464	3.3%
2001	56,265	1,255,360,556	1,488,996,960	26,464	4.6%
2002	56,265	1,355,301,118	1,488,996,960	26,464	5.3%
2003	56,265	1,321,886,943	1,488,996,960	26,464	5.3%
2004	56,265	1,491,177,145	1,488,996,960	26,464	4.6%
2005	56,265	1,594,975,722	1,488,996,960	26,464	4.4%
2006	56,265	1,597,309,461	1,488,996,960	26,464	3.2%
2007	56,265	1,870,325,316	1,488,996,960	26,464	3.4%
2008	56,265	N/A	1,488,996,960	26,464	4.5%

Note: 2008 Equalized Assesed Valuation is unavailable until 2008.

Data Source

(1) U.S. Census Bureau

(2) Office of the County Clerk

(3) Department of Labor Statistics

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2008				1999			
Employer	Rank	Employees	% of Total Village Population	Employer	Rank	Employees	% of Total Village Population
Caremark, Inc	1	800	1.42%	3 Com	1	3,000	5.64%
Robert Bosch Tool Corp	2	576	1.02%	Village of Mount Prospect	2	286	0.54%
Metropolitan Life	3	445	0.79%	Anixter	3	264	0.50%
Cummins-Allison Corp.	4	435	0.77%	C-Line Products	4	250	0.47%
Village of Mount Prospect	5	336	0.60%	MetLife	5	225	0.42%
Rauland Borg	6	300	0.53%	Township High School No. 214	6	225	0.42%
Mount Prospect School District 57	7	298	0.53%	Cummins-Allison Corporation	7	210	0.39%
Prospect High School	8	250	0.44%	AM Mulitgraphics	8	200	0.38%
Siemens Building Technologies, Inc	9	235	0.42%	Output Technologies Inc.	9	200	0.38%
Jewel Food Stores	10	225	0.40%	Community Consolidated S.D. No. 59	10	197	0.37%
Walmart	10	225	0.40%				

Data Source

Village Records

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Representation	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Total	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
General Government										
Village administration										
Village Manager's office	5.35	5.35	7.35	7.35	8.85	8.85	10.35	10.35	11.35	11.85
Television services division	2.70	3.20	2.90	2.90	2.90	2.80	2.80	3.10	3.10	3.10
Village Clerk's office	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	16.00	16.50	16.50	16.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	26.05	27.05	28.75	28.25	28.75	28.65	30.15	30.45	31.45	31.95
Community development										
Community development	19.90	20.40	22.20	21.80	21.30	20.90	20.90	20.90	22.90	23.40
Community development/CDBG	0.40	0.40	0.40	0.80	0.80	1.20	1.20	1.20	1.20	1.20
Total	20.30	20.80	22.60	22.60	22.10	22.10	22.10	22.10	24.10	24.60
Human services department	8.70	8.70	8.70	8.70	8.70	8.70	7.60	7.60	7.60	7.60
Total	8.70	8.70	8.70	8.70	8.70	8.70	7.60	7.60	7.60	7.60
Public Safety and Protection										
Police Department	105.20	104.80	104.50	104.50	105.50	105.50	105.50	110.50	111.50	111.50
Fire Department	76.70	77.70	80.70	80.70	80.70	80.70	80.70	83.90	84.20	84.20
Total	181.90	182.50	185.20	185.20	186.20	186.20	186.20	194.40	195.70	195.70
Public works department										
Administration	3.60	3.40	3.40	3.40	3.40	3.35	3.35	3.35	3.35	3.35
Streets/buildings/parking	16.60	17.60	17.60	17.10	16.10	14.60	14.60	14.60	14.80	14.60
Forestry	11.80	11.80	11.80	11.80	11.80	11.80	10.80	10.80	10.80	10.80
Engineering	7.90	8.90	8.90	8.90	7.90	7.90	7.90	8.30	8.30	8.30
Water/sewer	25.10	24.80	24.80	24.80	25.80	25.75	25.75	25.55	26.15	26.15
Refuse disposal	1.40	1.40	1.40	1.40	1.40	2.90	2.90	2.90	2.90	2.90
Vehicle maintenance	9.10	9.10	9.10	9.10	9.10	9.10	9.10	8.90	8.90	9.10
Total	75.50	77.00	77.00	76.50	75.50	75.40	74.40	74.40	75.20	75.20
Community and civic services	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Total	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
VILLAGE TOTAL	313.50	317.10	323.30	322.30	322.30	322.10	321.50	330.00	335.10	336.10

Data Source

Village budget

VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Finance Department										
Vehicle stickers issued	39,808	39,169	39,342	38,916	38,940	38,969	38,425	38,973	38,851	38,000
Utility bills	79,896	79,240	78,000	77,000	81,865	86,429	85,894	100,846	97,677	98,547
Real estate transfer tax stamps sold	1,919	1,600	1,795	1,678	1,774	1,774	1,903	1,624	1,249	800
Community Development										
Building Division										
Permits issued	3,698	3,584	3,638	3,122	3,427	3,429	3,217	2,866	2,801	3,000
Plan reviews	475	568	408	259	387	473	744	787	553	575
Building code inspections	10,503	14,821	16,273	13,825	12,839	13,364	14,364	9,590	8,438	9,250
Environmental Health Division										
Inspections										
Food service	394	390	403	414	422	404	364	400	392	395
Multi-family buildings	638	666	659	664	652	654	414	583	476	535
Swimming pools/spa	23	58	24	30	28	30	6	33	62	59
Public Safety										
Police										
Number of crimes	6,554	5,642	5,489	6,100	5,774	4,548	3,834	3,247	4,295	4,200
Number of service calls	33,426	35,937	33,926	35,442	40,507	43,656	30,387	25,443	26,694	26,000
Number of arrests	2,274	1,657	1,793	2,009	2,226	2,032	1,740	1,855	1,928	1,900
Moving violations	8,730	6,114	5,321	6,463	9,070	7,947	7,383	6,522	7,985	8,900
Parking citations	10,542	7,527	8,536	10,588	7,913	6,799	8,194	7,641	9,438	8,700
Fire										
Fire calls	1,910	1,999	2,000	1,941	1,837	1,882	1,837	1,647	2,273	1,852
EMS calls	3,256	3,391	3,197	3,160	3,412	3,229	3,443	3,679	3,518	3,562
Fire prevention inspections	3,200	3,150	3,637	2,900	2,838	2,305	2,692	4,388	3,652	4,000
Training hours	21,016	21,349	25,699	23,417	23,847	25,180	22,397	21,865	22,837	21,390
Public Works										
Streets										
Street reconstruction (miles)	2.9	2.90	2.90							
Streeting resurfacing (miles)	5.3	5.30	5.30	8.00	8.00	9.00	5.00	9.00	7.00	7.00
Crack filling (lbs.)	57,425	38,370	48,075	51,057	50,490	56,520	58,700	47,390	57,660	55,000
Leaves removed (cubic yards)	18,034	18,409	17,809	20,802	19,500	18,096	16,897	14,302	15,187	16,000
Water										
Water mains installed (lineal feet)	1,200	3,600	1,392	44	4,500	1,150	3,250	3,000	3,200	3,200
Water billed (1,000 gallons)	1,569,865	1,587,480	1,580,000	1,539,074	1,550,000	1,491,000	1,491,251	1,501,699	1,440,716	1,545,000
Sanitary sewers cleaned (ft)	35,165	50,800	41,100	37,165	45,000	45,000	45,000	70,000	70,000	30,000
Refuse (single/multi-family)										
Solid waste collected (tons)	36,087	36,162	37,781	37,881	37,978	37,465	33,019	32,188	32,928	31,481
Recycling (tons)	6,513	7,199	7,252	7,224	7,009	6,685	7,348	6,890	6,728	6,500

* 2008 are estimated amounts. Final figures are not available at time of printing report.

Data Source

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	37	38	38	38	34	36	38	39	35	35
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	25	25	25	24	28	25	23	22	22	22
Public Works										
Residential streets (miles)	134	134	134	134	134	134	134	134	134	134
Water										
Water mains (miles)	158	158	158	158	158	163	163	164	166	166
Fire hydrants	2,065	2,100	2,500	2,141	2,200	2,230	2,200	2,309	2,328	2,328
Storage capacity (gallons)	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M	8.8M
Wastewater										
Sanitary sewers (miles)	93	93	93	93	93	93	93	93	93	93
Storm sewers (miles)	123	123	123	123	123	123	123	123	123	124
Combined sewers (miles)	59	59	59	59	59	59	59	59	59	59

Data Source

Various Village Departments

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

STATEMENT OF INDEBTEDNESS

	Amount Applicable as of December 31, 2008	As Per Cent of		Per Capita 2000 Census 56,265
		Assessed Value	Estimated True Value	
Assessed Valuation of Taxable Real Property, 2007	\$ 1,917,212,385 (3)	100.00%	33.33%	\$ 34,074.69
Estimated True Value of Taxable Real Property, 2007	5,751,637,155	300.00%	100.00%	102,224.07
Direct Bonded Debt payable from Property Taxes (1)				
Payable From Property taxes	\$ 30,525,000	1.59%	0.53%	\$ 542.52
Self-Supporting Debt	-	0.00%	0.00%	-
Total Direct Bonded Debt	\$ 30,525,000	1.59%	0.53%	\$ 542.52
Overlapping Bonded Debt Payable from Property Taxes (2)				
Schools	\$ 29,450,135	1.54%	0.51%	\$ 523.42
Other Than Schools	54,536,306	2.84%	0.95%	969.28
Total Overlapping Bonded Debt	\$ 83,986,440	4.38%	1.46%	\$ 1,492.69
Total Direct and Overlapping Bonded Debt	\$ 114,511,440	5.97%	1.99%	\$ 2,035.22
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 114,511,440	5.97%	1.99%	\$ 2,035.22

- Notes:
- 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. The village has chosen to fund certain projects with general obligation bonds and abate the taxes thereon from sales tax revenues, incremental property taxes, and other revenues (see "Retirement Schedule of Outstanding Village General Obligation Bonded Debt" below).
 - See "Detailed Overlapping Bonded Indebtedness Payable From Property Taxes at December 31, 2008".
 - The Village's 2007 equalized assessed valuation includes \$46,887,069 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, 2008)**

Due Calendar Date	Principal Maturities			Debt Service Tax Levies	
	Source of Payments Property Taxes (2)	Total Maturities Annual Amount	Cumul. Percent	Levy Year	Property Taxes
2009	1,620,000	1,620,000	5.3%	2008	2,920,582
2010	1,690,000	1,690,000	10.8%	2009	2,925,839
2011	1,750,000	1,750,000	16.6%	2010	2,917,157
2012	1,830,000	1,830,000	22.6%	2011	2,923,513
2013	1,900,000	1,900,000	28.8%	2012	2,915,062
2014	1,990,000	1,990,000	35.3%	2013	2,923,358
2015	2,075,000	2,075,000	42.1%	2014	2,921,146
2016	2,270,000	2,270,000	49.5%	2015	3,022,863
2017	2,365,000	2,365,000	57.3%	2016	3,017,375
2018	2,460,000	2,460,000	65.4%	2017	3,015,360
2019	2,565,000	2,565,000	73.8%	2018	3,017,800
2020	2,680,000	2,680,000	82.5%	2019	3,025,098
2021	2,795,000	2,795,000	91.7%	2020	3,025,768
2022	2,535,000	2,535,000	100.0%	2021	2,644,655
	\$ 30,525,000	\$ 30,525,000			

- Notes:
- 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 \$3,805,679 as of December 31, 2008. 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 2001 Bonds, the Series 2002 Library Bonds, Series 2003 Bonds and Series 2006 Library 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 (\$17,420,000) on the Series 2002 Library Bonds and Series 2006 Library Refunding Bonds.

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

Village Issue		Ratio to Estimated Actual Value				Per Capita (3)	
		Direct Debt		Direct & Overlapping Debt		Direct & Overlapping Debt	
		Including Self-Supporting	Excluding Self-Supporting	Including Self-Supporting (2)	Excluding Self-Supporting	Including Self-Supporting	Excluding Self-Supporting
Sale Date	Amount						
March 5, 1996	\$ 3,150,000	0.84%	0.20%	3.64%	3.00%	\$ 1,861.91	\$ 1,534.01
March 18, 1998	3,015,000	0.73%	0.17%	3.29%	2.73%	1,855.60	1,541.79
December 1, 1998	1,060,000	0.68%	0.16%	3.15%	2.63%	1,761.17	1,468.94
March 2, 1999	5,550,000	0.87%	0.16%	3.34%	2.63%	1,864.85	1,468.94
June 6, 2000	2,165,000	0.79%	0.13%	3.10%	2.44%	1,868.30	1,471.99
October 2, 2001	5,000,000	0.80%	0.25%	3.33%	2.78%	1,961.83	1,638.49
March 5, 2002	6,585,000	0.72%	0.24%	3.09%	2.61%	1,814.01	1,531.62
May 21, 2002	20,500,000	1.34%	0.86%	4.03%	3.55%	2,360.04	2,077.65
January 21, 2003	12,235,000	1.39%	1.05%	3.77%	3.43%	2,544.05	2,316.16
December 15, 2006	10,000,000	0.78%	0.69%	2.72%	2.63%	2,362.39	2,287.21

- Notes: 1. Taken from applicable Official Statements.
2. Excludes the Village's general obligation bonds which are payable from non-property tax.
3. Village population estimates used in these calculations were 53,168 in 1996-2000 and 56,265 in 2001-2006.

EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES (Note 1)

Tax Levy Year (2)	Real Property			
	Net For General Taxing Purposes (3)	Plus Incremental Valuation	Total For All Taxing Purposes (4)	Increase Over Prior Year
2002	1,355,301,118	15,186,001	1,370,487,119	8.3%
2003	1,321,886,943	18,840,090	1,340,727,033	(2.2%)
2004	1,491,177,145	24,825,500	1,516,002,645	13.1%
2005	1,594,975,722	34,455,000	1,629,430,722	7.5%
2006	1,597,309,461	42,357,450	1,639,666,911	0.6%
2007	1,870,325,316	46,887,069	1,917,212,385	16.9%

- Notes: 1. Property in Cook County is separated into eight classifications for assessment purposes (ranging from 16% for residential to 38% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established—tax rates are applied to the equalized valuation.
2. Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2007.
3. Excludes four categories of exemptions: the Senior Citizens' Homestead Exemption; the General Homestead Exemption; the Senior Citizens' Tax Freeze Homestead Exemption and the Long-Term Homeowner Exemption.
4. The Village's tax rate is calculated based on the village's Net Equalized Assessed Valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the county Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

**DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES AT
DECEMBER 31, 2008**

SCHOOL DISTRICTS:	Percent of Village's 2007 Real Property in Taxing Body	Gross Bonded Debt (1)	Village's Applicable Share (2) of Gross Debt to be Paid From Property Taxes	
			Percent	Amount
Elementary Districts:				
Mount Prospect No. 57	34.8%	8,425,000	93.561%	7,882,514
River Trails No. 26	28.2%	8,850,000	78.766%	6,970,791
Community Consolidated No. 59	27.7%	23,180,000	13.422%	3,111,220
Wheeling Community Consolidated No. 21	3.5%	44,626,907	2.574%	1,148,697
Prospect Heights No. 23	2.9%	4,995,000	8.033%	401,248
Arlington Heights No. 25	2.8%	27,980,000	2.905%	812,819
Community Consolidated No. 62	0.1%	-	0.050%	-
	<u>100.0%</u>			
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	31,670,000	17.210%	5,450,407
Maine Township No. 207	0.2%	13,800,000	0.065%	8,970
	<u>100.0%</u>			
Community Colleges:				
Harper No. 512	99.8%	43,125,000	8.495%	3,663,469
Oakton No. 535	0.2%	-	0.016%	-
	<u>100.0%</u>			
Total Schools				<u>29,450,135</u>
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	2,470,552,418	1.175%	29,028,991
Metropolitan Water Reclamation District	100.0%	1,735,620,090	1.200%	20,827,441
Park Districts:				
Mount Prospect	64.3%	6,990,000	59.277%	4,143,462
Arlington Heights	2.5%	28,659,187	1.513%	433,613
Des Plaines	1.6%	7,270,000	1.414%	102,798
Total Other Than Schools				<u>54,536,306</u>

- 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 2007 Real Property valuations.

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

Village of Mount Prospect:	Levy Years				
	2003	2004	2005	2006	2007
Bonds and Interest	\$ 0.078	\$ 0.070	\$ 0.091	\$ 0.083	\$ 0.071
Pensions (Police, Fire)	0.143	0.133	0.156	0.168	0.153
Corporate	0.480	0.444	0.457	0.469	0.416
Garbage	0.173	0.154	0.122	0.126	0.110
Total Village	\$ 0.874	\$ 0.801	\$ 0.826	\$ 0.846	\$ 0.750
Cook County, Including Forest Preserve District	0.689	0.653	0.593	0.569	0.499
Metropolitan Water Reclamation District	0.361	0.347	0.315	0.284	0.263
Mount Prospect Park District	0.498	0.455	0.459	0.474	0.411
Mount Prospect Public Library	0.487	0.475	0.466	0.482	0.439
Special Service Area No. 5	0.141	0.125	0.125	0.118	0.101
Community Consolidated School District No. 59	2.127	1.972	1.933	2.013	1.791
Township High School District No. 214	1.982	1.818	1.759	1.823	1.621
Harper College No. 512	0.310	0.279	0.281	0.288	0.260
All Other	0.115	0.072	0.083	0.064	0.077
Total (2)	\$ 7.584	\$ 6.997	\$ 6.840	\$ 6.961	\$ 6.212
Village as a Percent of Total	11.5%	11.4%	12.1%	12.1%	12.1%

- 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.

TAX EXTENSIONS AND COLLECTIONS (Village Purposes Only)

Levy Year	Collection Year	Total Taxes Extended	Total Taxes Collected as of December 31, 2008 (Note 1)	
			Amount	Percent (2)
2003	2004	11,539,756	11,441,631	99.15%
2004	2005	11,939,893	11,679,821	97.82%
2005	2006	13,175,689	12,962,907	98.39%
2006	2007	13,506,574	13,387,837	99.12%
2007	2008	14,014,838	13,648,416	97.39%

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

TEN LARGEST TAXPAYERS

Rank	Taxpayer	Business/Properties	Equalized Assessed Valuation (1)	Percent of Village (2)
1	Randhurst	Randhurst Shopping Center	\$ 38,681,906	2.07%
2	CRP Holdings	Real Estate	29,404,769	1.57%
3	Home Properties Colony	Colony Square Apartments	22,430,491	1.20%
4	Mount Prospect Plaza	Shopping Center	21,982,090	1.18%
5	Golf Plaza	Shopping Center	17,448,188	0.93%
6	Costco Property Tax	Commercial Sales Store	11,644,188	0.62%
7	Huntington Square	Apartments	11,509,007	0.62%
8	PFG 800 Biermann LP	Pharmaceuticals	11,255,616	0.60%
9	Cummins Allison Corp	Manufacturing	11,114,044	0.59%
10	First Industrial LP	Property Management	11,005,324	0.59%
			\$ 186,475,623	9.97%

- Notes: 1. Valuations as of January 1, 2007 for 2008 tax purposes.
2. Total 2007 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,870,325,316.

2001 AND 2007 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION*

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2001	2007	% Increase	2001	2007
Residential	764,455,298	1,227,488,556	60.57%	60.90%	65.63%
Commercial	336,912,152	412,588,412	22.46%	26.84%	22.06%
Industrial	153,774,011	229,739,726	49.40%	12.25%	12.28%
Railroad	219,095	508,622	132.15%	0.02%	0.03%
Total	1,255,360,556	1,870,325,316	48.99%	100.00%	100.00%

* Includes 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 2008 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				2008	
	2004	2005	2006	2007	Budget	Actual
Revenues:						
Property Taxes	7,965,530	8,420,737	9,648,141	9,896,594	10,768,756	10,438,261
Sales Taxes	7,964,169	8,101,017	8,824,103	8,811,400	9,300,000	10,066,919
State Income Taxes	3,575,784	4,198,734	4,606,804	4,980,054	5,300,000	5,326,270
Licenses, Permits & Fees	2,798,930	2,908,061	3,216,982	3,445,370	3,176,500	3,094,828
Utility Taxes (2)	3,329,756	4,770,080	4,359,595	4,620,256	4,474,500	4,757,979
Charges for Service	749,216	685,029	1,186,990	1,631,636	1,553,375	1,511,172
Fines & Forfeits	554,741	581,439	521,473	720,673	634,000	720,351
Interest Income	45,869	177,853	474,141	479,704	282,000	256,844
Food & Beverage Tax	495,486	550,603	621,240	797,730	760,000	776,268
Real Estate Transfer Tax	1,143,518	1,515,403	1,082,498	789,912	760,000	643,082
All Other Revenues	2,814,413	3,975,816	3,031,405	3,764,388	3,301,700	3,491,085
Total Revenues	\$ 31,437,412	\$ 35,884,772	\$ 37,573,372	\$ 39,937,717	\$ 40,310,831	\$ 41,083,059
Expenditures:						
General Government						
Public Representation Division	108,884	114,469	116,278	123,983	173,926	163,820
Village Manager's Office	2,101,737	1,888,176	2,110,668	2,442,227	2,787,444	2,828,495
Television Services Division	161,903	206,927	174,164	164,809	183,164	193,430
Village Clerk's Office	163,656	169,130	195,420	196,054	209,499	198,860
Finance Department	1,351,088	1,553,967	1,676,743	1,732,616	1,685,886	1,584,723
Community Development - Administration	53,772	480,608	584,857	593,980	898,257	710,403
Benefit Payments	405,414	50,463	43,609	44,533	45,600	45,460
Total General Government	\$ 4,346,454	\$ 4,463,740	\$ 4,901,739	\$ 5,298,202	\$ 5,983,776	\$ 5,725,191
Public Safety:						
Police Department	11,356,202	11,495,443	12,478,295	13,318,324	14,282,653	13,883,553
Fire & Emergency Protection Department	8,866,769	9,383,705	9,930,749	10,549,631	11,091,273	11,068,216
Code Enforcement	677,550	740,649	758,010	839,085	903,935	849,746
Total Public Safety	\$ 20,900,521	\$ 21,619,797	\$ 23,167,054	\$ 24,707,040	\$ 26,277,861	\$ 25,801,515
Highways & Streets	5,212,118	5,344,238	5,506,275	7,299,378	7,101,062	7,176,947
Health	109,477	115,216	121,031	119,773	123,409	119,067
Welfare	991,991	976,994	1,045,607	1,210,945	1,403,746	1,330,261
Culture & Recreation	-	284,229	333,148	281,737	391,501	381,892
Transfers Out	270,000	821,695	1,207,827	12,797	721,000	822,274
All Other Expenditures	274,491	-	-	-	-	-
Total Expenditures	\$ 32,105,052	\$ 33,625,909	\$ 36,282,681	\$ 38,929,872	\$ 42,002,355	\$ 41,357,147
Revenues Over (Under) Expenditures	\$ (667,640)	\$ 2,258,863	\$ 1,290,691	\$ 1,007,845	\$ (1,691,524)	\$ (274,088)
Adjustments to Fund Balance	-	-	-	-	-	-
Ending Fund Balance	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 12,814,913	\$ 11,123,389	\$ 12,540,825

Balance Sheet – December 1

Assets:	2004	2005	2006	2007	2008
Cash & Investments	\$ 3,318,126	\$ 5,875,788	\$ 7,038,324	\$ 7,184,546	\$ 6,906,762
Receivables					
Property Taxes	8,433,820	9,485,589	9,979,918	10,978,708	10,656,198
Other Taxes	1,066,353	1,384,025	1,215,146	1,494,634	1,255,498
All Other	153,558	152,694	222,962	264,615	319,515
Due From Other Funds	-	1,460,746	1,746,404	1,507,604	1,674,287
Due From Other Governments	2,531,681	2,518,122	2,763,050	3,509,591	3,034,026
All Other Assets	2,594,923	101,239	73,529	40,910	228,750
Total Assets	\$ 18,098,461	\$ 20,978,203	\$ 23,039,333	\$ 24,980,608	\$ 24,075,036
 Liabilities & Fund Balance					
Accounts payable	\$ 740,968	\$ 310,592	\$ 382,346	\$ 517,801	\$ 612,347
Deferred Revenues					
Property Taxes	8,433,820	9,485,589	9,979,918	10,418,303	10,642,163
Other	117,493	-	-	-	-
Compensated Absences	-	-	-	-	-
All Other Liabilities	548,666	665,645	870,001	1,229,591	279,701
Fund Balance:					
Reserved	219,694	312,499	73,529	40,610	228,750
Unreserved but Designated	-	-	-	-	-
Unreserved and Undesignated	8,037,820	10,203,878	11,733,539	12,774,003	12,312,075
Total Fund Balance	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 12,814,613	\$ 12,540,825
Total Liabilities & Fund Balance	\$ 18,098,461	\$ 20,978,203	\$ 23,039,333	\$ 24,980,308	\$ 24,075,036

- Notes:
1. This condensed financial information for the years ending December 31, 2004-2008 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.
 2. The telecommunications tax was increased to 6.00% on January 1, 2004.

COMBINED STATEMENT—ALL FUNDS (Note 1)

**Fund Balances 2004-2007 and Summary 2008 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

	Fiscal Year Ended December 31, 2008							
	2004	2005	2006	2007	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance
					Property Tax	Total		
Governmental Fund Types (2):								
General Fund *	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 12,814,913	\$ 10,438,261	\$ 41,083,059	\$ (274,088)	\$ 12,540,825
Special Revenue Funds:								
Motor Fuel Tax	\$ 1,044,565	\$ 864,995	\$ 537,303	\$ 337,147	\$ -	\$ 1,558,290	\$ (432,834)	\$ (95,687)
Community Development Block Grant	-	-	-	-	-	406,530	-	-
Local Law Enforcement Block Grant	163	163	163	-	-	-	-	-
Refuse Disposal *	1,895,701	1,686,784	1,980,777	2,164,126	2,007,797	4,167,592	130,340	2,294,466
Asset Seizure	49,605	59,731	74,769	77,320	-	2,251	(22,569)	54,751
DEA shared Funds	82,434	53,563	49,493	37,677	-	28,006	(5,820)	31,857
DUI Fines	22,765	17,208	35,774	30,245	-	15,664	(11,784)	18,461
Foreign Fire Tax Fund	-	-	52,533	80,872	-	34,731	5,098	85,970
Total Special Revenue	\$ 3,095,233	\$ 2,682,444	\$ 2,730,812	\$ 2,727,387	\$ 2,007,797	\$ 6,213,064	\$ (337,569)	\$ 2,389,818
Debt Service *	36,785	419,317	465,990	94,398	2,417,297	3,662,024	(1,002,714)	(908,316)
Capital Projects (3)	1,946,881	3,575,154	4,428,063	4,850,533	1,078,751	3,820,315	(2,370,410)	2,480,123
Total Governmental	\$ 13,336,413	\$ 17,193,292	\$ 19,431,933	\$ 20,487,231	\$ 15,942,106	\$ 54,778,462	\$ (3,984,781)	\$ 16,502,450
Proprietary & Fiduciary Fund Types								
Enterprise Funds (4):								
Water and Sewer *	\$ 23,187,112	\$ 23,266,233	\$ 24,309,160	\$ 26,120,909	\$ 1,505,394	\$ 10,437,746	\$ 1,258,347	\$ 27,379,256
Village Parking System	545,974	389,081	184,903	150,073	-	269,400	99,639	249,712
Internal Service Funds (5)	11,111,089	11,867,059	13,123,794	14,659,768	-	8,628,950	(27,296)	14,632,472
Pension Trust Funds:								
Police Pension	35,616,429	37,284,536	40,084,647	42,963,185	-	(3,871,029)	(6,700,242)	36,262,943
Firefighter's Pension	36,729,420	38,091,422	40,166,885	43,030,181	-	(3,640,648)	(6,348,325)	36,681,856
Total Proprietary & Fiduciary	\$ 107,190,024	\$ 110,898,331	\$ 117,869,389	\$ 126,924,116	\$ 1,505,394	\$ 11,824,419	\$ (11,717,877)	\$ 115,206,239
Discreetly Presented Component Unit:								
Mount Prospect Public Library	\$ 2,787,862	\$ 3,411,784	\$ 4,020,453	\$ 4,171,946	\$ 8,389,346	\$ 8,606,700	\$ 629,904	\$ 4,801,850
Total All Funds (Memo Only)	\$ 123,314,299	\$ 131,503,407	\$ 141,321,775	\$ 151,583,293	\$ 25,836,846	\$ 75,209,581	\$ (15,072,754)	\$ 136,510,539

* Designated as major funds.

	2004	2005	2006	2007	2008
Cash & Investments at 12/31 (6):					
General Fund	\$ 3,318,126	\$ 5,875,788	\$ 7,038,324	\$ 7,184,546	\$ 6,906,762
Internal Service Funds	8,008,658	8,582,358	10,073,099	10,820,995	11,031,805
Refuse Disposal	1,853,904	1,641,568	1,795,604	1,853,585	2,055,278
Other Special Revenue Funds	1,260,991	925,308	1,491,014	1,175,936	464,682
Debt Service Funds	656,071	347,754	556,087	370,799	(238,703)
Subtotal	\$ 15,097,750	\$ 17,372,776	\$ 20,954,128	\$ 21,405,861	\$ 20,219,824
Capital Project Funds	3,531,328	4,215,628	4,817,224	4,671,780	2,323,527
Water & Sewer	4,055,950	3,609,877	3,911,189	4,342,452	4,231,532
Other Enterprise Funds	286,037	257,872	70,894	104,143	358,890
Pension Trust Funds	71,890,396	75,042,504	79,774,305	85,551,369	72,563,407
Other Fiduciary Funds	1,304,814	1,288,931	1,711,374	2,033,936	1,816,941
Discreetly Presented Component Unit	4,056,054	4,068,222	4,484,981	4,544,340	5,174,060
Total	\$ 100,222,329	\$ 105,855,810	\$ 115,724,095	\$ 122,653,881	\$ 106,688,181

Notes: 1. This condensed financial information for the years ending December 31, 2004-2008 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, 2008 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, 2004-2007. The "Independent Auditor's Report" included in the latest audit states, in part:

"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 discreetly presented component unit, each major fund, and the aggregate remaining fund information of the Village of Mount Prospect, Illinois, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America."

- The Village's property tax revenue recognition policy conforms to the provisions of "NCGA Interpretation 3, Revenue Recognition Property Taxes." The current net tax levy receivable is recognized in the balance sheet along with a corresponding amount of deferred revenue. In addition, the debt service payments and liabilities related to the current net tax levy are not reflected in the Debt Service Funds; the un-matured principal is reflected in the General Long-Term Debt Account Group.
- Includes the Capital Improvement Fund, which accounts for the resources used to provide for mid-sized capital projects. Financing is provided by developer contributions, transfers from other funds, interest income, and bond proceeds.
- Fund balances shown for the Enterprise Funds are total fund equity, including contributed capital and retained earnings, and the column "Revenue Over Expenditures" represents the change in that amount. The "Total Revenues" column represents operating revenues.
- The Village created a Risk Management Fund in 1984 to account for the servicing and payment of claims for liability, property, casualty coverage and Workers' Compensation. Financing is provided by charges to the various Village funds. The Village created a Vehicle Replacement Fund in fiscal year 1991 to account for the acquisition and depreciation of Village vehicles. Financing is provided by charges to the General, Water and Sewer, and Parking Funds. The Village created a Vehicle Maintenance Fund in 1996 to account for maintenance and repair of all Village vehicles except Fire Department vehicles. In 1997, the Village created a Computer Replacement Fund to account for the acquisition and depreciation of Village computer hardware.
- Excludes agency funds.

CAPITAL ASSETS (Note)
(December 31, 2008)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 10,210,699	Land	\$ 289,650
Total Assets Not Being Depreciated	\$ 10,210,699	Total Assets Not Being Depreciated	\$ 289,650
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 27,429,229	Buildings and Improvements	\$ 7,791,210
Improvements Other Than Buildings	1,536,100	Equipment	3,846,341
Infrastructure and All Other	60,044,197	Infrastructure	38,039,248
Total Capital Assets Being Depreciated	\$ 89,009,526	Total Capital Assets Being Depreciated	\$ 49,676,799
Less Accumulated Depreciation	\$ 52,708,508	Less Accumulated Depreciation	\$ 29,190,125
Total Capital Assets Being Depreciated, Net	\$ 36,301,018	Total Capital Assets Being Depreciated, Net	\$ 20,486,674
Net Assets	\$ 46,511,717	Net Assets	\$ 20,776,324

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 \$10,000, except for infrastructure for which the cost is \$25,000 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.